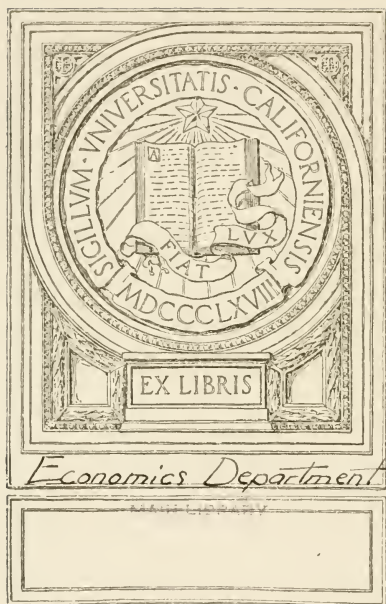


CHAW BUSINESS TRAINING SERIES

OFFICE TRAINING
AND
ENTERTAINERS

BY H. C. CHAW





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ANY business is like a bridge that is building. You must anchor your structure to a foundation of experience and knowledge and rivet home each member as you add it. To carry your span safely across the new and untried, build on what you know—build on what you have learned, either from your own experience or from the experience of others.

OFFICE TRAINING *and* STANDARDS

By FRANK C. McCLELLAND



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TO THE STUDENT OF OFFICE PRACTICE

THE difference between work and play is simply the difference between your attitude toward work and your attitude toward play. Office work can easily be turned into a fascinating game, just by following the rules and keeping score.

"How can I keep score on work?" Just the same way you keep score in a game. In a baseball game you count the hits, the runs, the fouls, and so on. In business you can also count the hits, the runs, and the fouls.

Every time you finish a task, you make a "hit"; each mistake counts as a "foul"; every time you fail to finish a task, you make a "strike"; and if you fail often enough, you "strike out." On the other hand, work quickly done counts as a "ball" and four balls give you your "base"; you score a home run every time you receive advancement.

What are the rules? There are only three rules for success in business; they are: learn the game, play the game, and stick to it. Simple? Yes, but you will find that something just as simple lies at the bottom of everything that's worth while.

This book will show you how to play the game. Here are a few suggestions that will help you to get the most out of the book: As you thumb over the pages, you will see illustrations of various kinds—photographs, charts, diagrams, forms.

Study these illustrations carefully. They were not put in to fill up the book, or to make it look nice. Each illustration was selected with a purpose, and thousands of illustrations were examined before the final selection was made.

If the illustration is a photograph, see how many different objects in it you can pick out. Ask yourself what the purpose of each object is and why it is shown.

You will find the charts are helpful, if they are used correctly. The only justification for using a chart is to make a situation

PREFACE

clearer than is possible by a written description or by columns of figures. A chart which is unintelligible is worse than none at all; it takes up valuable time and space. As you examine each chart try to analyze it just as you would a photograph. Try to find a reason for everything on the chart.

The forms are not merely "something to fill out." If they were, blank sheets of paper would be just as serviceable. A properly designed form does not call for any useless information, but it does call for all the information that is necessary.

Analyze carefully each form in the book and see if you can give the reason for the form as it stands. Also try to improve the form, if you can.

You will find some of the charts and tables well worth memorizing. Do so. An easy way to memorize something is to read it over once or twice, and be sure you get the meaning of it. Close your eyes and try to recall how it looks. Read it once more and then copy it on a sheet of paper.

After you have copied it, compare it with the original to make sure it is an exact copy. Then put both original and copy out of sight and try to make a copy from memory. Do not be disappointed if you don't get it the first time. If it were possible to jump from the bottom of a ladder to the top, the rungs would never have been put in.

Every business has a purpose. That purpose is usually to make a profit for the owner of the business, whether that owner be one man, as in the case of a butcher shop, or several thousand stockholders, as in the case of the United States Steel Corporation or of a railroad.

Not only must the business make a profit, in order to succeed—it must also render some service to the community. Every business is successful just to the degree that it makes itself serviceable to the community, and every new business is expected to justify itself by rendering a new or superior service.

The constant study of every business organization and every individual entitled to any position in the business world is or should be how to improve the service rendered to the community. But the basic reason for business, which in the last analysis is simply the buying and selling of commodities or service, is to make a profit.

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For example, the butcher buys the live animal at a price, kills it, cuts it up, and sells the various parts of the animal for more than he paid for it. Not only must he get more than he paid for it, but he must also see that the selling price pays for his own labor, the labor of his men if he has any, the rent of his butcher shop, his light, heat, equipment, and, if he has borrowed money, interest on the borrowed money. He must also protect his shop from fire, and the selling price must, therefore, include the cost of the insurance.

Now if the butcher bought and sold only one animal a year and paid all his bills once a year, he would need to include in the selling price of the meat from that one animal all his costs for that year. The result would, of course, be an absurdly high price for the meat.

But the butcher sells more than one animal a year. He may not sell the bones until he has a pile that may have come from twenty or thirty cattle. This pile of bones may have accumulated in five days, or it may have taken five weeks. In any case that pile of bones has cost something, and the butcher must get that cost back, with a profit.

How the butcher gets his cost back, what that cost is, how he determines what profit to add, how he determines when to buy cattle and when to sell, when to keep on accumulating bones and when to dispose of them, where to keep his meat and to whom to sell it, whether to buy and sell for cash or have the goods charged, whether to carry groceries in addition to meats, whether, in short, to do or not to do the thousand and one things that come up continually, day after day—all of these are determined by what are called business policies.

The policy of a business house determines very largely where that house is headed, and what it is doing. "Honesty is the best policy" is a fundamental, and in that fundamental and the extent to which it is practiced in all business, lies largely the success of the business.

But this is only one policy. There must be hundreds, and sometimes thousands, of other policies. Policies are the guide posts which direct the course of the business, and like guide posts, all the policies of the business must lead in the same direction, to get to the desired point, which is usually profits.

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The head of the business sets the guide posts, or policies. His assistants follow the guide posts he has set. This is called "carrying out the policies." In carrying out the policies, more help is needed with some policies than with others. Take letter writing for example: common courtesy requires that all letters requiring answers shall be answered within a reasonable time. Some letters will be answered one way, some another. A letter of complaint would, of course, be handled differently from a letter ordering goods. Here there are two policies in force, easily determined. The first policy requires that all complaint letters shall be handled tactfully, so as to satisfy the customer, and still keep his trade. The second policy requires that the order shall be shipped to the customer just as soon as possible, and in the way the customer requested.

In carrying out these policies, other minor policies or guide-posts may be required, just as the country roads have signs pointing the way to the main highway, which in turn has guide-posts pointing to the big city, the ultimate goal. The main highway represents the road over which the business is traveling to the goal of profits. The side roads may represent the different departments which contribute their share to the main highway. And there may be still smaller roads leading into the side roads. Some of these smaller roads may be only foot paths. But, whether the way be a footpath, a side road, or the main highway, the guide-posts which we call policies are necessary to guide our steps every foot of the way.

It is evident that at some steps many assistants will be required. It is also evident that every assistant, whether he be the assistant manager or the office boy, whether he be a book-keeper or a stock clerk, has a definite part in every business, has certain definite policies to carry out, certain definite guide-posts to follow, and just to the extent that those guide-posts are followed, from the office boy up to the president, just to that extent will the business prosper. And just as the neglect of the president to follow the instructions on the guide-posts of the main highway may lead to the desert of loss instead of the city of profit, just so may the neglect of the assistants on the footpaths and side roads to follow their guide-posts lead them into the woods instead of out into the main highway which leads into the city of profit.

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Do not think, however, that the president's and the manager's jobs are the only well-paid ones in the office. They aren't. While we should all try to qualify ourselves for the manager's job, we must not forget that there are other well-paid positions in every office.

The demand for expert stenographers has never been satisfied. From a stenographic position to the work of a private secretary is but a step. There is probably no quicker way to learn a concern's business methods than through its correspondence. The secretary is always handling the intimate details of his employer's work, and gets invaluable training first hand.

More and more each year stenographers are entering court and public work. Court stenographers command high pay, although the strain is very severe and the pace terrific. Many public stenographers have their own offices and staffs, and the calling is dignified as well as remunerative.

Over one hundred million dollars in sales are made each year by mail by one house alone—that is a specific example of the possibilities of letter writing. That is also one reason why the man or woman who can write good business letters is always in demand. The work of the correspondent is pleasant and agreeable, and the position is well paid.

Many a successful man today looks back to the time when he first studied bookkeeping. Indeed, without bookkeeping, modern business would be a mystery. Whether you ever become a bookkeeper or not, you'll probably never regret the time spent in acquiring a knowledge of the subject.

From bookkeeping to accounting the transition is easily made. Accountants today hold important positions in big concerns. The ability to tell whether a business is going ahead or falling behind is worth a lot in these days of intense competition. The positions of auditor and controller carry high salaries.

Among the other good positions available to the ambitious worker are those of purchasing agent, traffic, employment, advertising, and sales managers, assistant department heads, and supervisors of many kinds of work.

This book is for every office worker, regardless of his or her position, as well as for those who are not yet engaged in but are looking forward to office work.

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If you are or expect to be a stenographer, a private secretary, a correspondent, this book will show you how to become more efficient in your work, a more capable assistant, an indispensable aid to your employer.

If you're a bookkeeper or expecting to become one, you can learn how to gain a deeper insight into the intricacies of accounting and office work, through this book.

A file clerk can not only improve his or her filing, but can also make the files really live, something more than dry masses of papers and records—make them the vitals of the business.

The stock clerk, the typist, the copyist, the dictating-machine operator, the bill clerk, the operator of office machines, the order clerk, the cashier, the wrapper, the addresser, the supervisor and the inspector, the messenger boy and girl the checker—in fact, every clerk and assistant in the office will find in this book an opportunity for which they have longed, a chance to look beyond their job and prepare for the job ahead.

If you are working for the purchasing agent or the traffic manager, the auditor or the sales manager, the controller or the advertising manager—in whatever part of the office you are working or expect to work, you will find this book your best friend.

If you will master its pages, you will not only have a better knowledge and idea of your own job and its meaning but you will be ready for advancement far ahead of others who may be wasting their opportunities.

Every hour you spend in mastering this book will return to you, ten, twenty, fifty, or even a hundred times its present worth, in real money. The policies and methods here given will guide you to more effective work, show you where you are going, and enable you to use your strength and knowledge and ability where it will count the most for you in dollars and cents and for the business into which you may go.

The guide-posts which are pointed out to you in this book have been tried and tested, proved and found effective. The wealth of material placed at the author's disposal by the publishers, has enabled him to pick and choose from the experiences literally of thousands of business houses.

All the resources of the A. W. Shaw Company, its editors, its traveling and resident investigators, and its immense and

PREFACE

well-digested masses of commercial data—accurate, broad, and down to the minute—have been freely drawn upon, even to the charts, photographs and diagrams which make it so easy to understand business methods.

In addition to the publishers, the author is also indebted to the following concerns, from whose experiences it has been his privilege to draw: Western Union Telegraph Company; R. G. Dun & Company; Ford Motor Company; Curtis Publishing Company; Chicago Telephone Company; Yawman & Erbe; Westinghouse Electric & Manufacturing Company; Chicago City Directory Company; Chicago Clearing House Association.

The author wishes to express his thanks to Mr. Sherwin Cody for the use of some material, as well as to the publishers of the *American Magazine* for the privilege of reprinting some material in the chapter on Personality in Business.

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OFFICE TRAINING AND STANDARDS

CHAPTER I

THE DEVELOPMENT OF THE OFFICE

WHEN all the inhabitants of the earth were uncivilized and gained their livelihood by means of hunting, stealing, or fighting, there was no necessity for offices. Later as the savage became semicivilized, herded his flocks, and produced more than he could eat, he found that he had something to trade or sell. When he sought to increase his trade and to keep a record of his gains or losses, the first "office" was probably established.

This was so long ago that the records have probably all been destroyed, although they may have been carefully scratched on the clay or rock walls of some convenient cave accounting room. With improved methods of stock raising, agriculture, manufacture, and transportation, the importance of the office has increased and its usefulness has become more and more widely recognized.

Today the methods employed in business offices are as far superior to the former "counting rooms" as the recent inventions of labor-saving office machinery are to the first crude substitutes for human labor. Under the stress of competition, a large part of office work has been effectively standardized, and the routine of the office will depend upon the methods employed by the management.

What it takes to make an office. If a farmer trades a calf for some potato seed, grows 200 bushels of potatoes, hauls them to market, finds a buyer, and records the transactions in the back of the almanac, he has performed practically all the functions of a business organization. His office may be the kitchen; his appliances the kitchen table, a chair, a pencil, and the almanac; while he himself is the producer, the salesman, the bookkeeper, and the manager all in one. The office proper

may therefore be called the home of the business, where the required clerical details are cared for and worked out.

Where the office space is properly laid out, lighted, heated, and ventilated, and the most effective and practical mechanical appliances are furnished to the best obtainable human material, the highest grade of results would naturally be expected to follow. It is the human element in any office that often plays a large part in the success or failure of the business.

Facilitating the transaction of business. Without an office it would be impossible to transact business on an extensive scale. Even the small business requires a home and an organization. The office for a time may be located in the garret, cellar, or kitchen; but as the business grows, the best room in the house may be given over to the "machinery" through which the policies of business are planned and carried out.

In facilitating the transaction of business, systems of records are required, letters must be written and filed, business papers must be made out and recorded, legal papers are often needed, statistics must be furnished, and money is continually being received and paid out.

The one-man office. What is perhaps the commonest type of office organization today is generally known as the "military" type. It is a development of the one-man office, for, as the office grows, the one man at the head still retains unlimited control over all the departments. This plan is no longer considered practical in many large businesses because of the difficulty in finding a manager with the time and ability to direct the details of an entire organization as satisfactorily as trained department heads can. We shall see later how the work of these department heads may be coordinated.

What a functional office is. The originator of the functional plan of organization is Frederick W. Taylor, who developed the Taylor system of scientific management. Under Mr. Taylor's plan each worker has as few operations to perform as possible, and he is drilled in each operation until he becomes proficient. There is usually one person in each department who supervises this training.

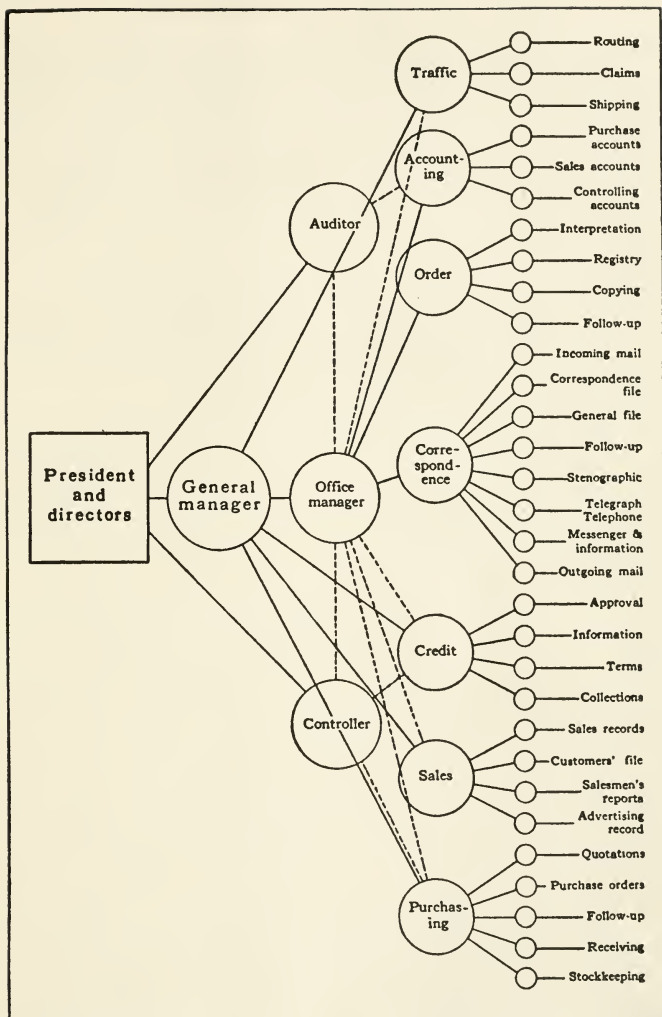


FIGURE 1: This organization chart shows an office of the functional type. Follow the lines and you will see under whose authority any part of the work comes. In this concern the general files are under the head of the correspondence department, who is responsible to the office manager; he in turn reports to the general manager.

Another original thinker has developed functional organization into what is known as the "line-and-staff" plan. Under this plan the staff is composed of experts who instruct the principal line officers as to the best methods of handling their work, and they, in turn, train the men under them. Mr. Taylor's studies were confined largely to factories. W. H. Leffingwell has effectively applied the Taylor methods of scientific management to office work.

Where the thinking is done. The office of any successful business must be the thinking and directing force for the entire concern. As the thinking department, the office must provide plans, standards, and instructions for those in the operating departments, and keep records of the results.

Twenty men in the thinking office and 75 in the operating departments will often turn out more work than 150 men in the operating department working without scientific direction. Organized work under the direction of organized thinking usually means a type of scientific management that will produce results well worth while.

How details are handled. The chief executive does not usually spend his time in looking after petty details which can just as well be taken care of by his staff and line officers. One of his most important duties is to organize the office to provide for the special instruction of each employee according to approved standards. The employees should be surrounded by the best mental, moral, and physical conditions. A just plan of compensation and promotions should be instituted. The play instinct should be appealed to in developing all standards so that the employee will be as interested in the business as he is in his games and sports.

It is obvious that a multitude of details must be handled in the most scientific method possible; otherwise the office force will be swamped in a confusion of poorly understood tasks. Aside from the clerical work connected with the buying, selling and accounting departments there is the dictating, typing, mailing, and filing of correspondence; the carrying of messages; the handling of many kinds of quotations, invoices, clippings, tariffs, legal, and business papers.

The importance of letter writing. Letters and business papers must, of course, be used in business unless the transactions are confined to a limited scope and area, but when transactions take place at long distances, the only practical method is by correspondence. Even when the long distance telephone and traveling salesmen are employed, it is usually necessary to put the contracts in writing and to answer many questions by mail, requiring one or more stenographers.

Orders are confirmed or claims adjusted by letters, which are often the only records of the dealings. Announcements are made, prices quoted, estimates furnished, promises given, circulars distributed, prospects made customers, purchases completed, and collections made possible through correspondence.

Why records must be kept. Frequently the importance of keeping business records is not appreciated until some special information which cannot be found is badly needed, such as the price paid for an order of goods, figures previously quoted, former selling prices, and so on. Reference to letters or other business papers is often necessary, letters of inquiry must be followed up, prospects supplied with information, comparisons made, and conclusions drawn.

The records for these purposes not only must be kept in convenient and legible form, but they must also be filed where they may be found quickly when needed. Many employees are required for this work in large offices and fixed standards of accomplishment are usually necessary in order to get the desired results without loss of time.

Thus we see that the office is the facilitating force which makes possible the successful running of the entire organization, consisting of producing, administration, and marketing.

Showing the results. The accounting department is probably the most important of the administrative departments. It handles the important functions of recording, tabulating, and reporting the results of all transactions. These reports show the past successes or failures, and help to determine the future activities of the company.

For example, the cost figures show whether prices quoted and obtained are high, low, or normal; whether particular

departments are falling below or rising above the average in effectiveness; and whether expenses are in proportion to the income in comparison with other periods.

Producing the goods. The production division of the business produces the article to be sold. It may be purchased from the wholesaler, the factory, or the farmer. In some cases the raw material is purchased, manufactured, and sold to the wholesale or the retail trade. Some concerns have no manufacturing departments, and the purchasing department corresponds to the production end of the business. Banks are continually opening up new lines of credit and enlarging their resources for the purpose of facilitating business. Insurance companies through their actuarial departments are providing the material by means of which new business can be profitably secured by the salesmen.

Selling the product. The finished product, no matter from what source it is obtained, is turned over to the sales department for marketing. It now becomes the duty of the sales manager and his force to dispose of the product at a profit in order to maintain the business.

More or less stenographic, typewriting, and clerical work is required in the related correspondence, advertising, and accounting departments. In all business, however, the two prime factors of buying and selling constitute the basis of the business.

The chief executive's function is to coordinate the work of all the departments and to keep the whole organization running smoothly. It is his duty also to look after the welfare of the employees under his charge.

When the proper relation between the management and the employee is more fully understood, there will be more enthusiasm all along the line. It is possible to make business a fascinating game in which united team-work makes for success and where winning the game brings interest and efficiency. When employees realize that the prosperity of the firm depends upon their efforts and that advancement and continued employment must depend upon the united effort of the employer and employees, they will take an added interest in their work and the results obtained by it.

HISTORICAL STANDARDS

The development of the office

1. The first "office" was established when men began to try to increase their trade and to record their gains and losses.
2. The first "office" records were probably scratched on cave walls.
3. With the increased civilization of man and the growth of trade, the office has become more and more important as a means of facilitating business transactions.
4. Not all offices are located in city skyscrapers.
5. A farmer's kitchen may be his office.
6. The office is the home of the business.
7. The most effectively equipped office may be expected to produce the best results.
8. Nevertheless, the human element in the office is often responsible for the success or failure of a business.
9. The one-man office is an office where the office force consists of one individual. A farmer's office is a one-man office. So is a dentist's or a doctor's in most instances.
10. In the military type of office one man has unlimited control over all departments.
11. The military type is considered impractical by some business men because it is hard to find a man fitted to direct all the departments with equal effectiveness.
12. The functional plan of organization was developed by F. W. Taylor.
13. Under the functional plan of organization, each worker has only one or at most a few operations to perform.
14. In a functional organization one person in each department supervises the training of the workers.
15. The "line-and-staff" plan of organization is a development of the functional type.
16. The staff is composed of experts who instruct the line officers (department heads), who train the workers under them.
17. Mr. Taylor's work was applied largely to machine shops and factories.
18. W. H. Lefingwell was the first to adapt Mr. Taylor's methods to office work.
19. The office of the business is like the mainspring of a watch; it contains the directing force of the business.
20. The office provides plans, standards, and instructions for the operating departments.
21. Scientific direction often increases output 100% or more.
22. Executives should not waste their time on small details that someone else can do equally well.
23. The executive should try to make business a game for his employees.
24. There is more or less clerical work required in nearly every department of a business. Correspondence must be dictated, typed, mailed, and

filed. Messages must be carried; quotations, invoices, clippings, tariffs, and legal papers handled. All these operations are performed in the office.

25. The accounting department records, tabulates, and reports the results of all transactions.

26. The production division produces the article to be sold.

27. The sales department sells the finished product.

28. Buying and selling are the fundamental factors of any business.

29. The finished product must be sold at a profit to make it possible for the business to continue.

30. If employees realize that they can to a large extent "make or break" a business, they will take an added interest in their work.

STANDARD QUESTIONS

The development of the office

1. Have there always been offices?
2. When did trading begin?
3. When was the first office established?
4. Were the first records kept in books? Why or why not?
5. How were the first records kept?
6. Is the office becoming more or less important? Why?
7. Are all offices located in city office buildings?
8. Can you think of any offices that are not? Where are they located?
9. Would you expect to produce better results in an effectively equipped office or in one poorly-equipped?
10. Is there any element in the office as important as, or more important than, the equipment? If so, what?
11. What is a one-man office?
12. Do you know of any one-man office? If so, what business is the owner engaged in?
13. What are the characteristics of the military type of organization?
14. Is there any objection to the military type of organization? If so, what?
15. Who originated the functional plan of organization?
16. What are the characteristics of a functional organization?
17. What is the "line-and-staff" plan of organization?
18. In what field did Frederick W. Taylor do most of his work?
19. Who adapted Mr. Taylor's plan to office management?
20. How is the office related to the rest of the business?
21. Name several kinds of work that are carried on in the office.
22. Into what three branches is business divided?
23. What is the chief function (a) of the accounting department? (b) of the production division? (c) of the sales department?
24. What are the two fundamental factors of any business?
25. To what extent does the success of a business depend on the employees?

CHAPTER II

HANDLING CORRESPONDENCE

THE letters received by most business concerns go through many processes before they finally reach the files. A letter may be handled by one person, as in a small business, or by several persons, as in a large mail-order house. These processes naturally divide into four parts, as follows:

1. Receiving
2. Answering
3. Mailing our answer
4. Filing

In this chapter we'll see what happens to the letters before they are answered, and what becomes of them after they are answered. The next chapter will tell us how they are answered, and in Chapter VI we shall learn effective methods of filing.

How the incoming mail is handled. As soon as received, the mail is usually sent direct to the mail-opening clerk to be opened and sorted for distribution to the proper departments. In the mail-opening department of one firm the unopened letters are first sorted to separate those letters that are specifically addressed to some person from those addressed to the house. A boy then immediately delivers these letters to the people addressed, thus eliminating any delay.

Meanwhile the mail addressed to the house is going through a number of processes, in this order:

- (a) opening
- (b) sorting and classifying
- (c) delivering to the proper departments

How the mail is opened. In a business where the volume of mail is small it is usually opened by hand. In this case care

should be taken not to cut through checks or other enclosures. In medium sized offices, where from 150 to 200 letters are received, a small hand-operated mail-opening machine is often used as a time saver. In large offices, where a large volume is regularly handled, an electric mail-opening machine is found useful. Whatever method of opening mail is used, the object is to open the envelop as quickly and carefully as possible, and to get the mail sorted with the least possible delay.

Inspecting the letters. Immediately after opening the mail, see that each letter is properly signed, that it contains the complete address, that no enclosures are missing, and that there has been no unusual delay from the time the letter was written until the date of receipt. Some firms make it a rule not to destroy the envelop but to pin it to the letter or papers, as it may contain the only complete address, or it may be needed to show when the letter was mailed.

What happens to enclosures. The enclosure is then fastened to the letter with a pin or clip. If any enclosure is missing, it is noted on the letter.

Since the government does not stamp the date of the receipt of letters at the post-office, it is desirable sometimes to note the time of receipt at the office. In the case of important delayed orders, for instance, it is occasionally necessary to prove that the letter was not mailed when written or that it was delayed in transit. Clock-dating machines are used for the purpose of recording the hour as well as the date of receipt. Some firms are satisfied to stamp merely the date the letters arrive. Each concern decides this practice for itself, of course.

It is helpful to watch each movement in order to economize time in handling mail. If the clerk forms the habit of opening, checking, and dating each letter as soon as opened, she will be repeating many unnecessary motions. While she is using the date stamp, all the letters should be stamped at once, each operation being carried out without any lost motion.

The special mail-opening table shown on page 15 (Figure 3) was devised after several careful tests were made to ascertain the most effective way of opening mail. The sunken baskets and pincushions eliminate a great deal of useless motion.

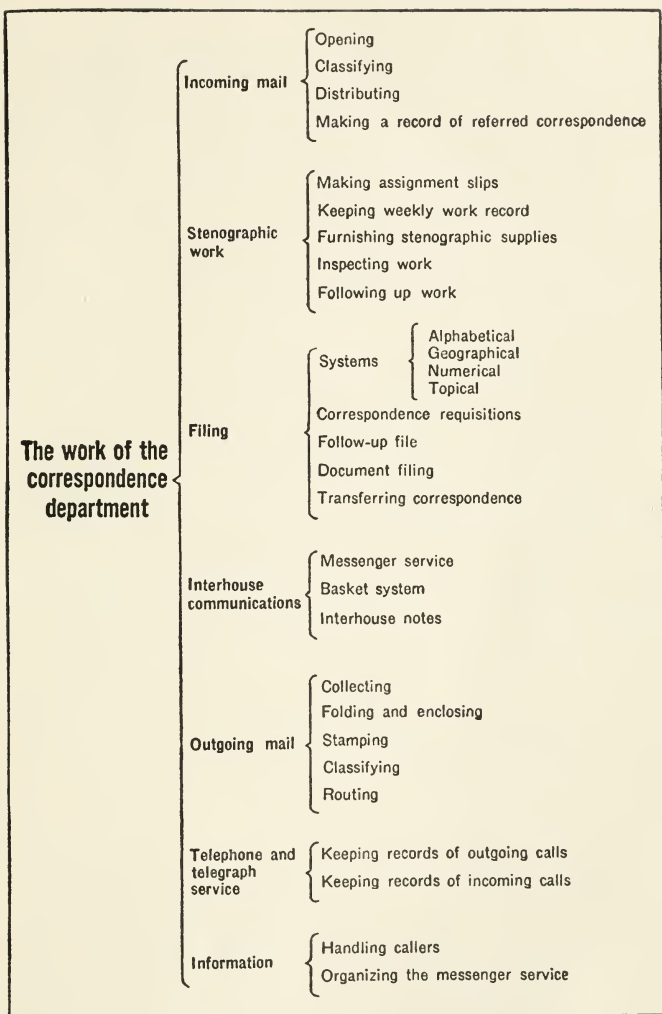


FIGURE 2: You will often find that by arranging data in this fashion, you can make it easier not only to analyze the data, but also to remember the important details. This outline of the work of the correspondence department shows at a glance the exact relation of any part of the work to any other part.

How to classify the mail. After the mail is opened and checked to see that no enclosures are missing, there are two procedures. Some firms immediately proceed to classify the mail according to departments, while others divide the opened mail into two parts—"cash mail" and "non-cash mail."

Cash mail, as the name indicates, is letters containing remittances. The clerk places these in one pile, and in another pile she places all letters which do not contain remittances.

The advantage of separating the two kinds of mail is that the non-cash mail can be classified and delivered at once without waiting for the cash mail to be sorted and listed. One clerk takes the letters which do not contain any remittances and at once starts to classify them according to departments. Each letter is placed in the group where it belongs for distribution. On page 15 is shown how three concerns sort their mail.

The clerk who sorts the mail should be able to tell at a glance to which department each letter should be sent. A letter containing an order will go, of course, to the order department, a complaint letter to the complaint department, a letter asking for an extension of time on a bill to the collection department, a request for information about a former employee to the manager, a letter quoting prices of goods used by the concern to the purchasing department, and so on. When the letter must pass through several departments, it is so marked that the proper data may be entered or attached from the time it is received until it is answered. When all the mail is classified, the messenger boy delivers it to the various departments.

Handling the cash mail. Another clerk takes the cash mail and enters the various items on a list. Some firms group the items on the list of cash mail into classes, so that when the totals are footed the cash receipts for each class are shown at a glance; this simplifies the bookkeeping. Other firms simply sort the remittances into city checks, out-of-town checks, money-orders, and currency. After the remittances are listed and sorted, they are sent to the cashier, who indorses and deposits them in the bank the same day they are received.

Besides the operations connected with receiving the incoming mail, this department also sends out the outgoing mail.

Addressing letters correctly. One of the most important duties connected with sending out mail is to see that it is addressed correctly. Over 10,000 misdirected letters are sent to the dead-letter office daily. Last year this office handled over 10,000,000 such letters and packages, containing more than \$2,250,000 in checks, drafts, money orders, and cash. Some of this mail was finally delivered to the owners because the inside address was plainer than the one on the outside. Counting the cost of postage, advertising letters, and the original cost of getting out the mail, you can estimate in this one item a little of the cost of carelessness.

Some of these letters and packages are mailed without sufficient postage or, indeed, without any postage at all. Others have no return address on the outside. With many, a part of the address is missing or incorrectly given. It is bad enough to omit the name of the state, but worse to write down the wrong state. There are 27 Clevelands and 28 Washingtons in the United States; it is impossible for the mail clerk always to know where to send your letter if the state is not named.

Frequently the use of abbreviations causes trouble. Nev. may be written to look like Neb., N. J. like N. Y., Col. like Cal., Ind. like Md., and Vt. like Va. Some of these difficulties may be avoided by writing the full name of the state or, if you must abbreviate, at least abbreviate correctly.

The sender's return address should be the same on the envelop as on the letter heading. The letter address should agree with the one on the envelop, whether the "window envelop" is used or not. Where a part of the address is missing it can usually be corrected by referring to the envelop, the letter file, directories, postal guides, or gazetteers.

Many large offices now use the addressing machine for all correspondents requiring 10 or more letters a year. For a less number it is found to be more economical to use the typewriter than to make the stencils or plates used in the machines. Addressing machines may be used for addressing envelops, wrappers, bills, folders, statements, notices, receipts, and labels.

Some machines automatically handle the name plates and return them to the filing drawer in the proper order, at the same time skipping any names not desired. One machine will

print many thousands in a day, making it possible for large firms like the Curtis Publishing Company to get out millions of papers in a short time.

How to fold a business letter. Letters are folded by hand in small offices. In folding an ordinary business letter fold upward from the bottom, bringing the lower edge to within about half an inch from the top. Make two folds from left to right, allowing the right-hand edge to project about half an inch. This leaves half an inch square at the upper right-hand corner, where you grasp the letter with your thumb, and it will easily open with the right side up. Insert the folded letter in the envelop without turning the letter over. For large envelopes the paper should be folded twice from the bottom up, leaving a small margin at the top. Of course when "window envelops" are used it is necessary to fold the letter so that the address will fit the window. The diagram on page 16 shows the standard instructions for folding letters to fit window envelops that one large concern uses.

Firms sending out from 500 to 1,000 letters a day often find it an economy to use a folding machine. It is possible to fold 40,000 pieces a day at a cost of ten cents a thousand, while the cost by hand folding would run from 30 to 40 cents a thousand folds. In using this machine it is necessary to keep the envelops stacked in the same order as the folded letter. The same care, however, is needed in hand folding, as many letters may be placed in the wrong envelops by inexperienced or careless help, causing possible embarrassments.

Sealing and stamping envelops. Where the amount of outgoing mail is not large the sealing and stamping are usually done by hand. The envelops are arranged so as to expose only the gummed flaps. By passing a moist sponge over the surface the letter can then be quickly sealed by hand. Machines are now in use which will seal about 5,000 letters an hour.

It requires care in either method not to use too much or too little moisture on the gummed surface or the letters will not be securely sealed. The same thing is true in regard to the stamping of mail. Some machines which can be run by motor will seal and affix the stamp at the same time.



FIGURE 3: This girl can open, pin, and sort 310 letters an hour by using this special table with sunken trays.



FIGURE 4: This girl is sorting miscellaneous letters on this peculiar looking rack for distribution to departments.



FIGURE 5: Just imagine how much mail this concern receives! Here are seven men and boys sorting mail for the various departments. In order to work fast each worker must, of course, know just where each letter goes.



FIGURE 6: This is the mailing room of one office where the mail is comparatively heavy. As you see, the mailing machinery shown here makes it possible to get the mail out on time. Each piece of mail is weighed in order not to waste postage.

Instructions for Folding Letters to Fit Window Envelops				
<p>Figure 1</p>	<p>Figure 2</p>	<p>Figure 3</p>	<p>Figure 4</p>	<p>Figure 5</p>
<p>Fold bottom over to top of salutation as shown in Figure 1; this marks line where second fold is to be made.</p> <p>Pick up letter as described by Figure 2, holding firmly with left hand while making fold with right, moving hand from left to right as indicated by arrow in Figure 3.</p> <p>Hold letter in same position with</p>		<p>left hand while grasping under edge with right (see Figure 4). Then turn address side down preparatory to placing in envelop.</p> <p>Envelops should be placed face downward alongside of pile of letters, with flaps next to letters as shown in illustrations. Insert enclosures as in Figure 5.</p>		

FIGURE 7: How easy it is to learn from pictures. These simple sketches are standard practice instructions for folding letters to fit window envelopes. The office workers who use them learn quickly how to do the work in the standard way.

The method of stamping letters by hand has been recently standardized and the output raised from 14 letters a minute to 84 a minute. The stamps are usually purchased in sheets of 100. The ordinary clerk requires about one minute to tear the sheet of 100 stamps into 10 strips. Under the standard method 10 sheets, or 1,000 stamps, can be prepared in the same time.

As many as 10 sheets of stamps can be handled at one time by folding and creasing each perforated line between the stamps. This requires 9 folds in each direction, or 18 in all. First the wide strip of white unperforated paper should be folded and torn off. The edges may more easily be kept even by folding the middle line first and following in order from there to the edge. Make a roll about one inch in diameter of the 10 sheets, the mucilage side out and the roll the length of the long side of the sheet. Hold it in place with a small rubber band to keep it from unrolling. The first row of stamps or 10 strips may now be broken off just as you would break a piece from a stick. The entire 10 rows of ten strips each can be broken off and unrolled in one minute.

How the strips of stamps are used. Place the envelopes one above the other in straight piles in front of you. Put the stamps mucilaged side up and a moist sponge at your right side. Be sure the sponge is not too wet or the mucilage will be washed off. Take the end of one strip in the left hand and moisten the strip with one stroke of the sponge in the right hand. Affix the stamp with the left hand, and press it in place with the right. At the same time twist the stamp loose from the strip with the left hand and shove the envelop ahead with the right hand, leaving the next envelop clear for stamping.

This method has increased the efficiency of stamping letters over 300%, raised the salaries of the employees, and has done away with the necessity of purchasing expensive stamping machinery except perhaps in the largest offices.

Care must be taken that the correct amount of postage is used on all classes of mail. This is particularly true in regard to foreign mail. It is estimated that an immense amount of foreign trade is lost by this little bit of carelessness. All foreign countries collect twice the amount of postage due and it is

claimed that many foreign merchants will not redeem such mail. They at least cannot have a very friendly feeling toward a firm which sends in a letter with 10 or 20 cents due because the mailing clerk thoughtlessly started the letter with the usual two-cent stamp. Every office should have printed postal regulations regarding the rates of postage for all classes of mail.

Mailing the letters. It is possible to make mistakes even after the mail has been perfectly prepared for posting. If important mail is posted a few minutes after the last fast mail train for the day has departed, there may be a delay of 12 hours in its delivery. All valuable mail should be insured or registered, since in the event of loss or non-delivery your firm may be held responsible, even if the goods were paid for in advance, because the order called for safe delivery.

Sometimes a few hours gained in the receipt of a letter will be of great importance, and you can insure immediate delivery from any United States postoffice by placing on the envelop a special delivery stamp. If you cannot obtain such a stamp, you can put 10 cents additional postage on the letter and write on the envelop "special delivery."

Packages of value may also be sent c. o. d. if you are not sure of the credit of the customer. For a small fee the post-office department will collect the amount and return it to you in the form of a postoffice money order. If it is important for you to know whether your letter was received at a certain time, you can register it and demand a return receipt. To get this receipt you must write or stamp across the face of the envelop "Return receipt requested."

STANDARD QUESTIONS

Opening, sorting, and distributing incoming mail

1. How is mail usually opened in a small office?
2. How may time be saved where 150 to 200 letters a day are received?
3. What plan is followed when a large amount is received?
4. What care must always be taken in opening letters?
5. After the letters are removed from the envelop, what do you do first?
6. How do you check up enclosures?
7. What would you do in case the enclosure was missing?
8. What do you do with remittances enclosed?

9. Who deposits the checks in the bank?
10. Why must you be familiar with all forms of remittances?
11. How do you sort the letters?
12. What notations should be made on the letters?
13. When should the envelop not be destroyed?
14. When should the date of receipt be stamped?
15. Why is it sometimes important to stamp the clock time of receipt as well as the date?
16. To what department would you send an order for goods?
17. To what department would you send a letter—
 - a. complaining of the receipt of damaged goods?
 - b. giving references as to financial standing?
 - c. asking for an extension of time for payment of a bill?
 - d. asking for a report on a former employee?
 - e. giving quotations for the sale of goods?
 - f. asking for quotations on the net price of goods?
 - g. applying for a position with the company?
 - h. applying for the purchase of stock in the company?
 - i. complaining of the non-receipt of goods?
 - j. giving instructions regarding future shipments?
 - k. containing remittance for the payment of a sight draft?
18. What is meant by "under separate cover?"
19. How would you identify letters where plain paper and envelops are used and the signature or address is lacking?
20. Why is it necessary for employees to standardize all their operations in opening, sorting, and distributing mail?

MAILING STANDARDS

Enclosures and remittances

1. Never enclose stamps loosely. Wrap them in waxed paper.
2. It is unsafe to remit small coins, even in a "coin card."
3. You can send currency by registered mail where there is no postal money order office.
4. The postal money order is best for small towns without bank or express offices.
5. Express money orders are negotiable and good for small amounts.
6. A postal money order is payable only at the office on which it is drawn.
7. Express money orders are cashed at banks or any express office of the company.
8. Postal money orders can be indorsed only once.
9. Express money orders may be indorsed several times.
10. Postal money orders cost from 3 cents for \$2.50 to 30 cents for \$100.
11. Express money orders cost the same as postal money orders.

12. The United States Government is responsible for one, the express company for the other.
13. The government is responsible for an amount not to exceed \$50 on registered letters.
14. It will pay losses not to exceed \$100 on insured packages.
15. It costs 10 cents to send \$100 by bank draft.
16. It costs 30 cents to send \$100 by express or postal money order.
17. It costs 85 cents to send \$100 by telegraph transfer, plus the regular rate for a 15-word message.
18. It costs 10 cents to send \$100 by registered letter.
19. It costs 25 cents to send \$100 by insured parcel post.
20. The cheapest way to remit \$2.50 is by money order.
21. The cheapest way to remit \$25 is by bank draft or by personal check if exchange is not required.
22. The cheapest way is not always the best way.
23. The best way to remit \$50 in currency is by registered letter.
24. The best way to remit \$5,000 in currency is by express.
25. It would not be wise to send \$60 by registered letter.
26. It would not be wise to send \$60 by money order.
27. It would not be wise to send \$6,000 by express.
28. The largest express money order issued is \$50.
29. The largest postal money order issued is \$100.
30. If money is lost or destroyed it cannot be returned even if insured.

STANDARD QUESTIONS

Handling outgoing mail

1. How is mail addressed by machinery?
2. Describe the best method of folding a business letter by hand.
3. How are letters folded by machinery?
4. Why are so many letters sent each year to the dead-letter office?
5. Why should special care be taken to stamp mail properly?
6. How would you instruct an office boy with regard to sealing letters?
7. How would you instruct an office boy with regard to stamping letters?
8. When is it desirable to register mail?
9. How would you send a letter by special delivery?
10. What is meant by a "window envelop"?

CHAPTER III

STENOGRAPHIC WORK AND STANDARDS

BEFORE the invention of typewriters, all letters were written by hand, which took a great deal of time. Although some very small concerns may feel that their business is not large enough to warrant the use of a typewriter, yet most business men today use typewriters for writing their letters, thereby gaining over the old handwritten letters the advantage of speed and legibility.

But since the executive has so many letters to write, he seldom does his own typewriting. Instead, he dictates to a stenographer, or to a dictating machine. In this way a man can answer several hundred letters a day, while if he had to typewrite his own letters, he would not be able to answer more than a limited number.

Answering the mail. Most letters that are not mere acknowledgments require an answer. Some letters, such as inquiries, remittances, and so forth can be answered at once. Others require certain information or possibly getting the previous correspondence from the files before they can be answered. Still others, such as complaints and requests for adjustments, call for investigation, although many houses make it a point to acknowledge at once, as a matter of courtesy, all letters to which the answer may be delayed.

The three steps in answering a letter are:

- (a) determining the nature of the letter
- (b) getting the necessary information
- (c) writing or dictating the answer

Analyzing the letters. The first step, therefore, before answering any letter, is to determine into which class it falls. Perhaps it will help if we list certain kinds of letters and then

see which kind our letter is. In general, there are 10 kinds of letters. They are:

- (1) inquiries
- (2) sales
- (3) acknowledgments
- (4) orders
- (5) complaints
- (6) requests for adjustment
- (7) collection
- (8) remittance
- (9) introduction, application, recommendation
- (10) miscellaneous

Having determined what kind of letter it is we are going to answer, and having obtained the information necessary for an intelligent reply, we proceed to write or dictate our answer.

Methods that save time. Nearly all firms use some kind of "form letter" and "form paragraph" to answer certain letters, on account of the economy in dictating correspondence. These letters are numbered and filed in a form book, and may be copied as the body of the letter or inserted in paragraphs where a commonly asked question always requires the same answer. If they have been carefully prepared by an expert, the dictator will not only save his time and that of the stenographer, but he will secure a better letter by using appropriate forms than by dictating without sufficient preparation or time. The results also are likely to be more satisfactory.

Another kind of form letter commonly used is more in the nature of a circular or follow-up letter. The printing is usually in imitation typewriting with a blank left for filling in the name, address, and sometimes an introductory clause to make it more personal. Care should be taken that any "fill-ins" are exactly in line and that the address is properly placed. Such letters are intended to give the appearance of a personally dictated answer, and should be prepared with that object in mind at all times.

Other form letters are sometimes used where no attempt is made to imitate the typewriter, such as stock letters of collection agencies or general advertising circulars.

G. M. JOHNSTON COMPANY
26 WATER STREET

Milwaukee
August 9, 1918.

STENOGRAPHERS AND TYPISTS

•
J. A. Blaisdell Company
2967 Main Street
Indianapolis, Indiana

Gentlemen:

As we desire uniformity of style in the arrangement of all letters leaving our office, you will please use this letter as a model for future correspondence.

The "M" of Milwaukee should be below and slightly to the right of the printed heading; the date should be centered underneath exactly as shown.

Begin the letter addressing the customer one space beneath the dot on the upper left-hand side. (Where the margins are to be unusually wide, because of a short letter, start one space below but to the right of the dot.) In cases where the letter is to a small town and no street address is given, show the city on the second line and the state on the third line. Where a four-line address is necessary, start on a line with the dot. In the case of a five-line address start one space above the dot.

The left-hand margins of paragraphs must be in line with the heading; double space between paragraphs.

In closing, use the phrase "Yours very truly," starting exactly in the middle of the sheet; sign "G. M. Johnston Company," starting underneath the "s" of "Yours." When the letter is to be signed place the word "By" two spaces below and immediately underneath the initial "G." Have the correspondent's and the stenographer's initials on a line with the left-hand margin, two spaces lower than "G. M. Johnston Company" Regulate the width of margin by the length of the letter to be written.

When the letter cannot be written on one sheet use a special second sheet, of the same grade of stationery.

Show "-2-" thus, two spaces below the heading, and continue the letter three spaces lower than the "-2-" with the same width margin as on the first sheet.

Yours very truly,

G. M. Johnston Company

GMJ:MN

By

FIGURE 8: How easy it is to write a letter just the way the office manager wants it, when you have a model letter like this to show you where to place the date, the salutation, and conclusion, how to space the paragraphs, and everything else you need to know. Every stenographer has a copy of this letter in her desk.

Taking dictation. The stenographer may take down the letter in shorthand, or she may use one of the various shorthand writing machines. These machines are supposed to be sold only to operators who are trained in their proper use.

What the dictating machine does. The dictating machine works on the principle of the talking machine. The dictator dictates his letter into the machine, which records what he says on a wax cylinder. When the typist writes the letter, she listens to the talking machine and hears what the dictator has said just as if he were talking to her.

The dictograph is used by some business houses in dictating letters. This instrument is somewhat like a telephone, except that you do not have to hold your mouth close to the transmitter. It is automatic, in that pressing a button gives instant connection with the desired department. By using this instrument you do not have to call the stenographer into the office to dictate a letter. She sits at her own desk and takes down the letter as you talk through the dictograph.

Transcribing the letters. Make yourself familiar with the style of letter preferred in your office and adapt yourself to its requirements. There is no reason why every letter should not be neat, artistic, accurate, and attractive in appearance. The margins should be even at the sides and a little wider at the bottom than at the top, similar to the plan usually followed in framing a picture. The spacing must of course be regulated by the size of the paper and the length of the letter. When single spacing is used, the paragraphs should be separated by double spacing. On page 23 is shown a model letter used in one office. Every stenographer has a copy of this letter to which she can refer at any time.

Labor-saving devices in the office. There are a number of labor-saving devices which lighten considerably the work of handling correspondence. Among these, the typewriter has become one of the most important. It is necessary for the operator to know how to manipulate the machine skilfully and how to keep it in perfect condition. The manufacturer usually furnishes a book of instructions on the care of the machine, and these instructions should be carefully followed.

How letters are copied. In general, a copy is made of every letter or paper that leaves the office. This copy is kept on file for reference. Formerly copies of pen-written papers were made by means of the letter-press. Later, copying ink was used on the typewriters and copies made by the same process. The greatest objection to this method was that while the copies were perfect, they were copied and indexed in a large book which could not be filed with the original letter.

To avoid this difficulty, a roller copying machine was invented and the impression transferred to a continuous roll of thin paper, which was cut off and filed with the letter. Many legal offices still have their important papers copied in this way, but carbon copies are coming into more general use. The sheet of carbon paper is inserted between the letterhead and the second sheet, and the impression of the typewriter keys, striking the letterhead, is transferred by the carbon paper to the second sheet, making an exact copy of the original.

There are also disadvantages in the use of carbon copies. If changes are made in the original, it is necessary to see that the same alterations are made on the carbon copy. This is usually done with pen and ink, unless the letter is entirely rewritten, when a new carbon copy is of course made, and the old one destroyed. Some firms also place the signature on the copy.

Where exact copies of contracts, telegrams, or important letters are required, the letter-press method is still in use. If more than four copies are required, it is considered a waste of time to use the carbon paper except with very thin paper; hence the typist of today must be familiar with the use of the various duplicating appliances such as the gelatin duplicator, stencil duplicator, type and ribbon duplicator, and the automatic typewriter, all of which are in general use.

The gelatin duplicators are used when 50 or less copies are needed. The material to be reproduced is either written by pen or typewriter with regular copying ink. It requires very little instruction to learn to operate this simple appliance.

The stencil duplicator. In many commercial schools, the stenographers are expected to learn how to manipulate the stencil duplicator, since it is commonly used in printing circulars

and form letters where less than a thousand copies are desired. Several thousand copies can be printed in an hour by the use of a motor-driven machine, while about a thousand can be printed in the same time by hand power.

When thousands of follow-up form letters are required, it is an economy of time to use the type and ribbon duplicator. With this machine a facsimile signature may be shown in ink, giving the letter a more personal touch.

The Multigraph, Printograph, Flexotype, Multicolor and Writerpress are machines of the same class in which actual type is set and the impression made through a typewriter ribbon.

One of the more recent duplicating machines on the market is the automatic typewriter. It is built somewhat on the principle of the piano player with a regular typewriter as a part of the equipment. A single operation produces a finished letter with the desired date, name, address, and special notations complete.

Getting letters ready to sign. After the typist or stenographer has completed the letter, she places it under the flap of the envelop with the addressed side up. The one who signs the letters should either sign his name so that it can be read or else have his name typewritten somewhere near his signature. Unreadable signatures may be costly and cause endless inconvenience, annoyance, and often the loss of business.

Where large numbers of checks, drafts, bills, stock certificates, pay checks, or dividend checks are to be signed, a check-signing machine is often used. With this machine, 14,000 papers can be signed in a little less than three hours. The operator writes with a monitor pen which controls a series of fountain pens that respond to the slightest movements of the monitor pen and reproduce the exact signature of the operator. The paper drops into a tray and a new set of checks is automatically drawn under the pens.

Verifying enclosures and remittances. The stenographer will be held responsible for any enclosures to be sent with the letters she writes. Promised enclosures are either forgotten or placed in the wrong letter or package every day, to the annoyance of thousands of business men. Make it a point to collect the enclosures as soon as the letter is written and place them in



FIGURE 9: If you want to feel tired out before you are half through the day sit humped up like this girl, but—



FIGURE 10: If you prefer to keep fresh and alert all day long, you will find that this posture is very much better.



FIGURE 11: Here is a room full of girls transcribing letters from the dictating machines beside each desk. The woman sitting at the desk at the right is their supervisor. The cylinders are records of letters waiting to be transcribed.

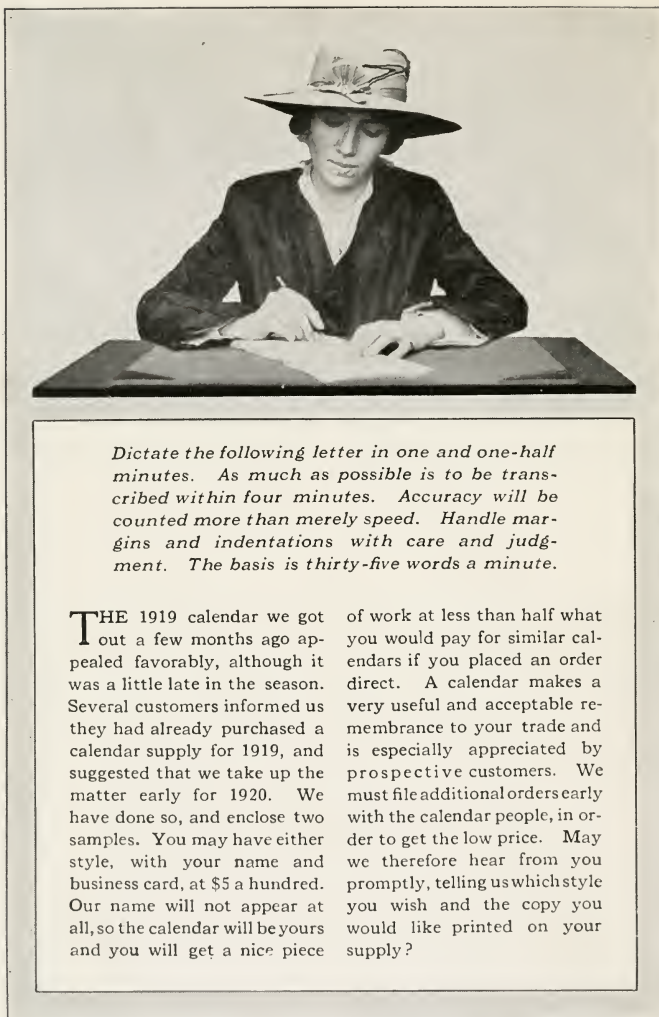


FIGURE 12: When a stenographer applies for a position, she is usually given a test for speed and accuracy. The young woman shown here is taking such a test. If she writes this letter neatly, correctly, and within the required time, the employer will know that she is competent, and capable of filling the position satisfactorily.

the addressed envelop or make a note of the number of enclosures on the letter and copy from your notes a complete list on a separate paper. You cannot depend upon finding later all the enclosures mentioned in the body of your notes.

If something is to be sent under separate cover, send the mailing clerk an addressed label at once, as it generally takes more time for third-class mail to reach its destination. When a large number of circulars are to be sent to one address, it is customary to number them by groups so that they can be easily designated. In case many sets of circulars are needed for distribution, much time and labor are saved by arranging the pamphlets on a revolving table so that they can be assembled as they pass by. Although this device takes up considerable space, it serves the purpose.

Where the mail is heavy, it is a good plan to put the letters with enclosures in a separate group to be specially looked after at mailing time. The mailing clerk, who should be familiar enough with all forms of enclosures to detect errors or omissions, can then carefully verify all amounts mentioned in remittance enclosures, without losing any time.

Standards of work. In every office, some of the employees work faster than others. The faster workers may be more capable, or better trained, or they do not waste so much time as the slower ones. In any case, they turn out more work. Under these conditions, it doesn't seem fair to pay the slow workers as much as the fast workers. On the other hand, it is not always possible to obtain fast workers at once. Usually some training is necessary. One way of training the slower workers to do more work is to set standards of accomplishment. An investigation is made to determine what would be a fair day's work for one person. This amount is then called the standard. The standard of measurement of typewritten matter that is commonly used is the square inch, and a transparent celluloid scale is used like that on page 31.

Many offices have already established standards of performance for a day's work and the pay is determined by the amount accomplished. A bonus system which remunerates each worker according to the quantity and quality of work done enables many to increase materially their incomes.

Dictating machine standards. Several years ago the Curtis Publishing Company, which employs over 1,000 persons in its offices, made an effort to standardize the operation of their dictation machines. A school of instruction was established and measurements taken of the work being done. It was found that the average production of an operator a week was 1,200 square inches of typewritten matter and the wages of a girl who did this work was \$9.

After a scientific study of the operation and the fixing of a standard, it was found that 4,200 square inches a week became the average production, and the wages increased from \$9 to \$11 a week. This meant an increase of 22% in the wages and a decrease in the cost of production from \$7.50 to \$2.50 for 1,000 square inches, or an increase in efficiency of 200%. The work was not so difficult, was more skilfully executed, and was far more interesting. Surely a plan which will double the efficiency of the workers and make a game out of work is much better than the hit-or-miss method where everyone does as he thinks best, regardless of method.

This result is accomplished, first, by selecting only applicants who give evidence of becoming efficient; second, by training the applicants chosen in the details of the department to which they are to be assigned; third, by holding classes for employees to review the best processes and explain modifications; fourth, by determining what constitutes a fair day's work and establishing that as a standard; fifth, by inaugurating a bonus system which will remunerate each worker according to the quality and quantity of work done.

Stenographic standards. Some offices have established a standard of 60 words a minute for transcribing dictation. The pay for this class of work is \$18 a week. No standard is fixed for dictation, but the same rate is paid for the time spent in dictation that is earned in transcribing. This is estimated on an average number of 12 words a line and 26 lines on a page. At the rate of 60 words a minute, a page may be transcribed from shorthand notes in about 5 minutes.

After making allowance for time spent in dictation or for lunch or other interruptions, if the general average is only 30

.08	.17	.25	.33	.42	.50	.58	.67	.75
.17	.33	.50	.67	.83	1.00	1.17	1.33	1.50
.25	.50	.75	1.00	1.25	1.50	1.75	2.00	2.25
.33	.67	1.00	1.33	1.67	2.00	2.33	2.67	3.00
.42	.83	1.25	1.67	2.08	2.50	2.92	3.33	3.75
.50	1.00	1.50	2.00	2.50	3.00	3.50	4.00	4.50
.58	1.17	1.75	2.33	2.92	3.50	4.08	4.67	5.25
.67	1.33	2.00	2.67	3.33	4.00	4.67	5.33	6.00
.75	1.50	2.25	3.00	3.75	4.50	5.25	6.00	6.75
.83	1.67	2.50	3.33	4.17	5.00	5.83	6.67	7.50
.92	1.83	2.75	3.67	4.58	5.50	6.42	7.33	8.25
1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00
1.08	2.17	3.25	4.33	5.42	6.50	7.58	8.67	9.75
1.17	2.33	3.50	4.67	5.83	7.00	8.17	9.33	10.50
1.25	2.50	3.75	5.00	6.25	7.50	8.75	10.00	11.25
1.33	2.67	4.00	5.33	6.67	8.00	9.33	10.67	12.00
1.42	2.83	4.25	5.67	7.08	8.50	9.92	11.33	12.75
1.50	3.00	4.50	6.00	7.50	9.00	10.50	12.00	13.50
1.58	3.17	4.75	6.33	7.92	9.50	11.08	12.67	14.25
1.67	3.33	5.00	6.67	8.33	10.00	11.67	13.33	15.00
1.75	3.50	5.25	7.00	8.75	10.50	12.25	14.00	15.75
1.83	3.67	5.50	7.33	9.17	11.00	12.83	14.67	16.50
1.92	3.83	5.75	7.67	9.58	11.50	13.42	15.33	17.25
2.00	4.00	6.00	8.00	10.00	12.00	14.00	16.00	18.00
2.08	4.17	6.25	8.33	10.42	12.50	14.58	16.67	18.75
2.17	4.33	6.50	8.67	10.83	13.00	15.17	17.33	19.50
2.25	4.50	6.75	9.00	11.25	13.50	15.75	18.00	20.25
2.33	4.67	7.00	9.33	11.67	14.00	16.33	18.67	21.00
2.42	4.83	7.25	9.67	12.08	14.50	16.92	19.33	21.75
2.50	5.00	7.50	10.00	12.50	15.00	17.50	20.00	22.50
2.58	5.17	7.75	10.33	12.92	15.50	18.08	20.67	23.25
2.66	5.33	8.00	10.67	13.33	16.00	18.67	21.33	24.00
2.75	5.50	8.25	11.00	13.75	16.50	19.25	22.00	24.75
2.83	5.67	8.50	11.33	14.17	17.00	19.83	22.67	25.50
2.92	5.83	8.75	11.67	14.58	17.50	20.42	23.33	26.25
3.00	6.00	9.00	12.00	15.00	18.00	21.00	24.00	27.00
3.08	6.17	9.25	12.33	15.42	18.50	21.58	24.67	27.75
3.17	6.33	9.50	12.67	15.83	19.00	22.17	25.33	28.50
3.25	6.50	9.75	13.00	16.25	19.50	22.75	26.00	29.25
3.33	6.67	10.00	13.33	16.67	20.00	23.33	26.67	30.00
3.42	6.83	10.25	13.67	17.08	20.50	23.92	27.33	30.75
3.50	7.00	10.50	14.00	17.50	21.00	24.50	28.00	31.50

FIGURE 13: In some offices a transparent celluloid scale like this one is used to measure the typists' work. When the upper left-hand corner of the scale is placed over the upper left-hand corner of the typewritten matter, the number over the lower right-hand corner shows how many square inches have been typed.

words a minute, the operator receives a salary of \$9 a week. It has been shown that the stenographer takes considerable satisfaction in maintaining a certain standard of proficiency, especially when she receives a salary in accordance with the standard attained by her in her work.

In one office where this method has been employed, with a force of about 75 stenographers, not only were the salaries increased 20%, but a saving of 20% was made in the department. A competent operator with two assistants was placed in charge. The chief operator had charge of assignments, gave out the instructions, and kept time. One assistant was in charge of the phonograph division, while the other measured all work and looked over the correspondence, making it unnecessary for the dictator to read his letters for ordinary errors.

Standards for typists. With the general use of the typewriter in making out bills, statements, order forms, card indexing, and looseleaf papers, there is a constant demand for capable typists. The use of phonograph dictation is another cause of this increased demand.

Since it is an easy matter to measure the speed and accuracy of the typist, the tendency is to standardize all such work and pay the operator according to his proficiency. Many students sacrifice even a moderate speed for accuracy, and others go to the worse extremity of sacrificing accuracy for speed. The typist must not only be accurate, but must also be fairly speedy or else fall behind in the race for supremacy.

Select some special sentence and time yourself on it today. Practice the same sentence a little each day and note the improvement from week to week. When you can write 110 words or more a minute without an error, you may be sure that you can ultimately increase your present speed in ordinary copying work.

Take the sentence: "Now is the time for all good men to come to the aid of their party," and see how many times you can write it without a mistake in 10 minutes.

Knowing and also doing. You may easily see from the foregoing pages that a worker in the correspondence department is an important factor in helping to carry out the business operations of the office. You should not only know exactly what is to

be done, but also the reason for doing it, and the best way to standardize all operations. If you are interested in getting good results, you may be sure you will be given a chance to show what you can do.

Remember that the more you know the more valuable will be your services, provided you do your best at all times.

DICTATION STANDARDS

How to say what you mean

1. Do not say "the best of the two," when you mean "the better."
2. Do not say "can I see you?" when you mean "may I see you?"
3. Never say "do you carry hardware?" when you mean "sell."
4. Do not say "every once in a while," for "occasionally."
5. Never say "what line of business?" when you mean "kind."
6. Never say "return same to me," when you mean "return it."
7. Do not write "in reply will say," if you mean "I will say."
8. Never say "I guess," when you mean "I suppose."
9. Do not say "I don't think," when you do think.
10. Do not say "I beg to advise you," or "beg to inquire."
11. Do not say "the two last," when you mean "the last two."
12. ~~Never call a person a "party."~~
13. ~~Never make a "date"~~ when an appointment is desired.
14. Do not say "posted" if you mean "informed."
15. Don't say "I don't hardly know," or "I can't hardly tell."
16. Do not say "It looks good," when you mean "it looks well."
17. Do not say "equally as well," when you mean "as well."
18. ~~Never use "he don't" for "he doesn't."~~
19. Never say "a couple of days" when you mean "two days."
20. Do not say "along that line" when you mean "on that subject."
21. Never say "a beautiful home" if you mean "house."
22. Do not say "yourself and myself" if you mean "you and me."
23. Do not say "it said in the paper," when you mean "the paper said it."
24. Do not say "a good write-up" if you mean "article."
25. Do not say "lots of," when you mean "many."
26. Why say "the two are both alike" when they are "alike"?
27. Why say "funny" when you mean "odd," "strange," or "queer"?
28. Did you "extend an invitation" when you intended to "invite"?
29. Why say "he didn't show up," when you mean "he didn't appear"?
30. Do not say "I am real glad," if you mean "very glad."
31. Do not say "seldom ever," when you mean "seldom."
32. Do not say "the package is liable to come" for "may come."
33. Do not say "a less number," when you mean "a fewer."
34. Do not divide "among" two people but "between" them.
35. Don't say "enclosed herewith." "Herewith" is superfluous.

36. Don't say "I only want two dollars" if you want "only two **dollars**."
37. Don't say "I doubt its veracity" if you mean "the **truth**."
38. Don't say "the observation of the rule" if you mean the "observance."
39. Don't say "the latter end of the year" if you mean "the **end**."
40. Don't say "if in case I succeed," when you mean "if I **succeed**."
41. Don't say "he was celebrated for his crimes" if you mean "notorious."
42. Don't say "to be given away gratis" if you mean "to be **given away**."
43. Avoid "the same" as you would the smallpox.
44. Avoid "thanking you in advance." It is impossible.
45. Avoid long words when short ones are better. Your object in writing is to make yourself clear, not to confuse your correspondent.

DICTATION STANDARDS

The choice of words

From: "The Writing of Good Letters for the Crane Company"
(Reprinted by permission of the Crane Company)

DON'T WRITE

Adopt for take or decide.	Hurry for haste.
Anticipate for expect.	If for whether.
Apt for likely.	Ill for sick.
Appreciate for value or increase.	Illy for ill (as an adverb). There is no such word as "illy").
Avocation for vocation.	Immediately for straightway or at once.
Balance for rest or remainder.	In for into.
Bring for take.	In so far as for so far as.
Can for may.	Inaugurate for begin.
Caption for heading or title.	Individual for person.
Character for reputation.	Indorse for approve.
Cheap for low-priced or inexpensive.	Initiate for start or begin.
Claim for assert.	Last for latest.
Commence for begin.	Lay for lie.
Complete for finish.	Lengthy for long.
Consequence for importance.	Liable for likely or prone.
Consider for regard.	Loan for lend.
Could for might.	Locate for settle.
Couple for two.	Located for found.
Depot for station.	Location for place.
Differ with for differ from.	Mutual for common.
Donate for give.	Name for mention.
Don't for doesn't.	Nice for good.
Each other for one another.	Nicely for well.
Excessively for exceedingly or very.	Observe for say or remark or see.
Fewer for less.	Over and above for more than.
Graduated for was graduated.	
Have got for have.	

Partially for partly.	Proven for proved.
Party for person.	Purchase for buy.
Past for last.	Quantity for number.
Patronage for custom.	Railway for railroad.
Per for a ("a ton," "a day," not "per ton," "per day.")	Reliable for trustworthy.
People for persons.	Reply for answer.
Perform for do.	Reside for live.
Perpetually for continually.	Residence for house or home.
Portion for part.	Retire for go.
Posted for informed.	Section for region, vicinity, or neighborhood.
Present for introduce.	Standpoint for point of view.
Preventative for preventive.	State for say.
Procure for get.	Universal for general or all.

STANDARD EXERCISES

Watching your English when dictating

Can you find the errors in these sentences, which were taken from actual business letters? If you can, rewrite them correctly, giving your reasons for making the changes.

1. Each of ~~the~~ companies sent their own representative.
2. Fill out the enclosed blank and return ~~same~~ by return mail.
3. I have a date with the manager tomorrow evening.
4. The secretary published a good write-up on cooperation.
5. The balance of the order was divided between two firms.
6. There is another party applying for the same position.
7. One can build a good home for \$5,000.
8. He is proprietor and owner of the factory.
9. If you think of opening a clothing store let me give you a little advice along that line.
10. Yourself and friends are invited to visit our factory.
11. The order will be shipped in a couple of days.
12. It is said in the paper that the bank would be closed.
13. The accountant always does his work in good shape.
14. The two offices are both alike.
15. The shipment is liable to come any day.
16. The bookkeeper seldom ever makes a mistake.
17. Do you carry farm implements now?
18. Let us know where you are stopping and we will send the goods.
19. Can we expect an order from you?
20. We wish you to try any experiment with our new tractor.
21. The last two articles were omitted.
22. We received a less number of orders from you last month.
23. The firm can not accept of your hospitality.
24. We have got a large number of reapers in the warehouse.

25. Divide the money ~~between~~ the three customers.
26. You should not be angry ~~at~~ me when the goods were as represented.
27. The clerk died ~~with~~ diphtheria, so the shipment was delayed.
28. If he don't write soon we will cancel the order.
29. The manager's father died when ~~he~~ was quite young.
30. Your book is different ~~than~~ mine.
31. The widow ~~woman~~ was left without any support.
32. A man ~~that~~ is a member of the firm will call.
33. The company ordered ~~their~~ men to begin work.
34. ~~Who~~ shall we elect secretary?
35. Who do you regard as the best salesman?
36. In reply to your inquiry will say—.
37. Your esteemed favor just received.
38. Yours of the 21st at hand and contents carefully noted.
39. Your recent letter received and I-beg to advise—.
40. I-beg to remain your humble servant, John Smith.

DICTATION STANDARDS

Perhaps these suggestions will help you

1. Most business letters are written for the purpose of selling something.
2. Sales are the result of confidence.
3. Clearness and truthfulness are convincing.
4. If the sales letters fail to sell, everything fails.
5. The dictator must be well informed on his subject.
6. He must be accurate, since mistakes are costly.
7. He must have the tact never to offend.
8. He must be always alert.
9. All letters should be answered the day they are received.
10. If a final answer can not be made, acknowledge the receipt and follow soon with a complete letter.
11. Don't put off answering the difficult letters until tomorrow, as tomorrow may never come.
12. Avoid being brusque, but be direct and courteous. Be brief, but do not omit important facts.
13. Avoid arguments, as antagonism drives away friends.
14. Be polite, but do not use "soft soap."
15. Energy and enthusiasm beget attention and interest.
16. Make your letter easy to read.
17. Avoid being funny and smart.
18. Avoid confusing the prospect by presenting several propositions.
19. Avoid even the appearance of sarcasm.
20. Make your letter show advantages to be gained, not evils to be avoided.
21. Do not use technical terms that might not be understood.
22. Avoid the use of superlatives, such as tremendous.
23. Do not omit the small words, such as "a," "and" or "the."

24. Do not use a long word when a short one will do as well. "Begin" is better than "inaugurate," "buy" than "purchase," "house" than "residence."
25. Study the origin and meaning of words.
26. Enlarge your vocabulary by reading the best writers.
27. Do not use fancy letter paper, or green ink.
28. Do not place "bill poster" advertisements on your stationery.
29. Avoid closing paragraphs beginning with "hoping," "trusting," or "I beg to remain."
30. Always sign your name so that it can be read.

DICTATION STANDARDS

What one stenographer discovered about her work

1. Always be prepared with material and tools.
2. Don't rap on the desk when the dictator makes a pause.
3. Be interested. Don't stare a hole through the wall.
4. Never put down anything you don't understand.
5. Ask questions, if necessary, when a pause occurs.
6. Always be sure that the names and addresses are correct.
7. Note special instructions in long hand.
8. Cancel transcribed notes by drawing a line through them.
9. Number and date note books for filing.
10. Don't omit small words to save time.
11. Don't use abbreviations in the body of the letter.
12. Avoid st, d, or th in writing dates.
13. Never abbreviate the names of cities.
14. Never write & for "and" except in firm names.
15. Do not use Dear Miss for Dear Madam or Dear Miss Smith.
16. Never omit the names of states in addresses.
17. Do not use My Dear Friend for My dear Friend.
18. Do not use 5-12-17 for May 12, 1917, in the heading of a letter.
19. Don't write Neb. for Nebr., Col. for Colo., Penn. for Pa., or Balt. for Baltimore.
20. Don't use abbreviations in the introductory address except Mr., Mrs., Dr., R. F. D., St., and Ave.
21. Do not abbreviate Master, Professor, President, Superintendent, or Honorable in the address.
22. Do not abbreviate the given name of a correspondent unless he does.
23. Never address a woman by her husband's title.
24. Don't beg. You have no right to "beg attention" or "beg to inquire."
25. Never use a punctuation mark that does not make the meaning clearer.
26. Avoid "hoping," "trusting," "awaiting," "kindly answer," and "esteemed favor."
27. Always read the letter before you transcribe the reply.
28. Never address a letter to a large city without giving the street number except to well-known concerns.

29. Be sure the address is on the inside and outside of the letter.
30. Always place the stamp in the upper right-hand corner.
31. Never strike one letter over another without erasing the first one.
32. Never erase unless you can do it without showing.
33. Leave two spaces after a period instead of one or three.
34. Address the president of the United States, governors, and ambassadors as "His Excellency."
35. Address men holding prominent public office as "Honorable."
36. Do not crowd your letter to get it on one sheet.
37. Place the body of the letter in the center of the page so the margins are balanced.
38. Avoid an uneven right-hand margin.
39. Remember that your efficiency is shown by the quantity and quality of your work.
40. Remember that accuracy without speed is better than speed without accuracy.

STANDARD EXERCISES

Errors to avoid in transcribing correspondence

Here are some errors made by a stenographer in transcribing her notes. See if you can find what is wrong, and rewrite each one as it should be written, giving your reasons for making the changes.

1. Lincoln, Neb. 7-24-17.
2. Sioux Falls, S. Dak., Jan. 2nd, 1917.
3. Carrie Bond Joplin Mo., My dr. Miss:
4. Brown and Black, Canton, Ohio. Dear Gents:
5. I am, Yours respectively, Henry Smith
6. Yours resp'y. Hiram Jones.
7. Pres. J. F. Towne, Janesville, Wisconsin.
8. Mr. Judge Jones, Nashville, Tennessee.
9. Yours of February 3rd. rec'd and in reply will say—.
10. Miss, Rose Pyne, 231 N. 27th St. Balt. Maryland.
11. Chas. True 234 W. 2nd St. Boston.
12. Prof. F. C. Good, Supt. City schools, Long Pine, Neb.
13. The Co. will give you a no. of large orders soon.
14. Hoping to hear from you soon, Yours very truly.
15. P. J. Roga, W. 12th St., Chgo., Ills.
16. Doctor J. W. Black, 43, 2nd. ave. Phila. Penn.
17. If the drill is not satisfactory return same at once.
18. Room 45, 124 Penn Av. Denver Col.
19. G. W. Green, Hamilton, Montana, My Dear Sir:
20. We have shipped to Brown & Banett 1 suit of clothes & an overcoat.
21. Between the company and myself there should be no trouble.
22. The train being late will delay him coming.
23. Every business has it's problems.

24. There is no danger of me falling.
25. The next one whose to give a report is the treasurer.
26. The man who's place you are taking has been with us 20 yrs.
27. This is the 3rd order we have received from you.
28. The books leaves were badly torn.
29. Have you seen Smith's and Weston's new typewriter?
30. I guess you are mistaken in amount of the order.
31. I was sure it was him who made the mistake.
32. We saw your ad in the Courier Journal.
33. We can make you a low price on a ladies fur coat.
34. Politics dont affect business very much.
35. Have you received the treasurers report?

STANDARD EXERCISE

A test of stenographic ability

This is taken from the Regents' examinations of the New York State Board of Education. Let someone read it to you and see how long it takes you to transcribe it accurately from your notes. Then practice it until you can do it in the given time, 3½ minutes.

STANDARD REQUIREMENTS

210 words—to be copied in 3½ minutes from stenographic notes.

Can you write postals, direct envelops, copy telegrams, write on ruled paper, on narrow paper and on wide paper, make carbon copies and letterpress copies, cut stencils and run off mimeograph copies, use the tabulator and take dictation directly on the machine—in fact, do the work you may be called on to do the first day in the business office? All these things should be a part of your work in school and you should not be satisfied till you can meet the requirements of business. Remember this one thing above everything else: Business men of today know that a real stenographer can do first-class work, including all the details that I have enumerated above, and they are looking for just such a one.

A stenographer, like other machine operators, must be familiar with the implements used in the business. It is not really difficult to master the several makes of machines after you have thoroughly mastered one, for most writing machines of today conform in essentials to two standards. The student should insist upon getting instruction on both kinds—the single and the double keyboard machines and be prepared to use either with ease.

TYPING STANDARDS

How to increase speed and accuracy

1. If you do not use the touch system, learn it.
2. Errors mean that the fingers do not go naturally to the right keys.
3. Develop the muscles of the hand and fingers by exercises used in playing the piano.

4. Pay particular attention to the little finger and thumb.
5. Devote 30 minutes each morning to practice exercises.
6. Practice one selection until the desired speed and accuracy are attained.
7. Then choose another selection and practice in the same manner.
8. Time yourself each day and note progress.
9. Rapid operators should practice as well as the slower ones.
10. Striking two keys at once shows lack of control of the fingers and must be overcome by careful repetition where the mistake occurs.
11. If the shift key is not depressed far enough it shows lack of control of the little finger, which needs strengthening.
12. In the daily practice matter it should be a rule never to permit erasures.
13. Avoid reading only a few words at a time. Grasp a whole sentence and write it without stopping.
14. Avoid working by spurts, as it merely results in fatigue and lessens the output.
15. Keeping stationery in a special desk rack which holds each kind of paper avoids the loss of time in removing it from the desk drawers.
16. Avoid wasting time in straightening paper after it has been placed in the machine by properly starting it.
17. Avoid wasting time and energy by adopting a correct position while at work.
18. Avoid lifting the hands much above the keyboard.
19. The work must be done by the fingers, which should not be raised more than four inches above the keyboard.
20. Adopt the standard abbreviations given in the United States Postal Guide, if you must abbreviate.
21. The block style of writing addresses (without indenting) is a saving of time.
22. Enter speed contests whenever you have an opportunity.
23. Two hundred square inches an hour is considered a good standard.
24. Analyze your work carefully in order to discover the cause of your mistakes or failures.
25. You will find that your accuracy will improve as your speed increases.

STANDARD EXERCISE

What a typist should be able to do

Here is another selection taken from the New York Board of Regents' examinations, which is supposed to be copied in three minutes, if you are up to the standard required for such work in some offices.

SPEED AND ACCURACY

210 words to be copied in 3 minutes, without any mistakes.

Until accuracy is a matter of habit, reduce speed somewhat—that is, write within your speed. But this fact must be remembered also in working

for accuracy: that habit is a most powerful influence for either good or bad and that if you write at a certain speed it will become a fixed habit; you will get into a habit that will be hard to get out of. This danger can be removed by doing some work every day to accelerate speed. Put on pressure for a little while, but not to such an extent as to make you lose control of your nerves. It is easy to go from one extreme to another—that is, by trying to write too rapidly or by being too deliberate.

The influence of habit on accuracy is also very important. You have probably noticed in your practice that you will often write for a considerable time without once striking a wrong key and that this gives you a sense of buoyancy, confidence and comfort that makes accuracy easy and materially increases your speed. You are carried along by the exhilaration of doing perfect work. On the other hand, if you strike a wrong key, you will probably make a series of mistakes.

STANDARD QUESTIONS

Typing and addressing letters

1. What is meant by preparedness to take dictation?
2. What is most desired of the typist in getting out mail?
3. Why should the typist understand everything he writes?
4. Should he ever change a letter dictated by his employer?
5. Why is it important to spell correctly?
6. What is the reason for using punctuation marks?
7. What is the reason for using abbreviations?
8. When should abbreviations not be used?
9. Why is it desirable, in firm letters, to have the initials of the stenographer and dictator on every letter?
10. What is the best position and form of the envelop address?
11. How should the envelop and letter be arranged for signature?
12. How can a typist write letters from dictation without a knowledge of shorthand?
13. How can a typist write a letter without having seen the dictator?
14. Are there any noiseless typewriters?
15. What are the advantages in using a dictating machine?
16. Why is it desirable to write on only one side of the paper?
17. Why is it desirable to keep a copy of all business correspondence?
18. What are the advantages and disadvantages of a carbon copy?
19. Under what conditions would it be desirable to use letterpress copies?
20. What is the standard of measurement of typewritten matter?

STANDARD QUESTIONS

The technique of business correspondence

1. Why is it desirable to use printed letterheads?
2. Why is it not desirable to place showy advertisements on letterheads or envelops?

3. Why is it not desirable to omit your own address or the date of your letter?
4. Why should your letterhead and signature agree with the name and return address on the envelop?
5. Why should the address in the letter correspond with the one on the envelop?
6. What is the proper form of address and salutation for a young unmarried woman?
7. What is the proper title for a prominent politician?
8. What are the proper titles for a firm of men?
9. What are the proper titles for a firm of women?
10. What constitutes an effective approach in a business letter?
11. What constitutes an effective argument in a business letter?
12. What constitutes an effective conclusion in a business letter?
13. Why is it desirable to use good English in a business letter?
14. Why is it desirable to refer to the date of the letter you are answering?
15. Which is the most important part of a letter?
16. Why is it not desirable to omit words for the sake of brevity?
17. Why is it not desirable to use "hoping," "trust," or "awaiting" in closing a letter?
18. What is the proper form for the courteous closing of a business letter?
19. Can you sign your name by machinery?
20. Why should the signature be in full and always the same?
21. When is it desirable to enclose a return stamp in your letter?
22. Why is it not desirable to write letters with a pencil?
23. What constitutes the best business letter?
24. What is meant by initiative?
25. Why should the stenographer know how to dictate a good letter?

STANDARD EXERCISES

Writing business letters

1. Write out an order in the form of a business letter.
2. Write to a friend giving your reasons for advising him to take a course in office practice.
3. Write to a friend giving your reasons for advising him to study shorthand and typewriting.
4. Write to a friend giving the qualities you think most desirable in a private secretary.
5. Write to a young friend urging him to open a savings bank account.
6. Write to a young friend in answer to his letter asking for instructions as to how to open a bank account.

CHAPTER IV

OFFICE REFERENCE BOOKS AND HOW TO USE THEM

IN ancient times, when any information was required, it was the custom to sit in a conspicuous place and make inquiries of passersby. As towns grew in size the town crier was employed to answer questions and make public announcements. When towns became cities, directories replaced the crier.

The first American directory was compiled in Philadelphia at about the end of the Revolutionary War. Boston did not have one until the year in which the Constitution of the United States was adopted. Streets were not numbered in those days, so well-known landmarks were used to define locations; for example, Federal Street, Boston, was described as "running from Simpson's in Cow Lane down by Rev. Mr. Popkin's Meeting House into Milk Street."

Classification of reference books. In all these stages of development saving time has been the basic motive. Time is money, and many an expense is justifiable if it represents a worth-while saving in time. Directories, dictionaries, guide books, and reference books of one kind or another are essentially time-saving devices, in that they give the desired information quickly, accurately, and briefly. To be able to use reference books to the best advantage, let us first classify them into

1. Directories
2. Dictionaries and word books
3. Books of general information

The three most useful reference books. There are three books which will be found in nearly every business office. They are the city directory, the telephone directory, and the dictionary. And yet few people really know how much valuable

information each of these books contains, or how to get the information out of the books. Suppose you want to find out where Albert Wallace works, and what his business is.

Of course if you knew someone who knew Albert Wallace, you might ask your friend about him. But you may never have heard of Albert Wallace. The city directory will not only tell you where Albert Wallace works and what his business is, but also where he lives. Furthermore, the directory will tell you exactly where the streets are that he works and lives on, and also how to get there.

The city directory. In fact, the city directory not only contains an alphabetical list of all persons over 18 years of age who live or work in the city, giving their names and occupations, where they work and where they live; but it also lists all the business houses in the city, with the names of the partners or officers. There is definite information regarding streets and numbers and how to get to them; local transportation systems; public, semipublic, and private institutions; clubs, museums, churches; so that anyone who knows how to use a directory can in a very short time learn more about the city than some people know who may have lived there for years.

How reference is made easy. All business directories are arranged alphabetically, and they usually are cross-indexed so that a name or business may be located under several different heads. Of course, it is necessary to know something about the person you wish to locate, how to spell the name, or the location if you wish to know the name, or the business if you wish to know the name or location.

How to use the city directory. Open the directory in the middle; you will notice two or more columns of names (the Chicago city directory, for instance, has five columns); at the top of each column is printed in black type the name of the first person in that column. The names are all arranged alphabetically so that you can quickly locate any desired name. If the name you're looking for is "Wallace," turn over the pages of the directory fairly rapidly until you come to names beginning with "W"; then turn the pages more slowly until you see at the top of the column "Wa," then "Wall," then "Wallace";

run your finger down the column till you come to the name "Albert," and there you will find the information.

Of course, every name isn't printed at the top of the column. Unusual names like "Slyde," for instance, might appear only once in the directory; in that case look at the top of the column for the name nearest to the one you are seeking.

How to use the telephone directory. Suppose the manager asked you if you knew how to look up a telephone number. You would probably say, "Why, of course." But there is a wrong way and a right way to look up a telephone number. One manager wanted to find out how many of his employees really knew how to find a telephone number in the directory. Out of ten who tried, only two were efficient. The others floundered around, and while they finally located the correct number, they took three or four times as long as was necessary. You should be able to find any number in 10 seconds! If it takes longer than that, you are not using the right method. Practice the method given here until you are perfect.

Anyone who has learned to use a city directory will find it easy to use a telephone directory. The purpose of the telephone directory is obviously to furnish telephone numbers. The use of the telephone itself is described in Chapter V, so we'll simply take up here how to find the number.

Like the city directory, the telephone directory contains the names of the subscribers arranged in alphabetical order. But instead of a name being printed in black type across the top of each column, there are only two of these "index names" on a page. Both of these names are at the top of the page; one is at the left, the other at the right; the left-hand name shows the first name on that page, and the right-hand name shows the last name on the page. Since these two names show the first and last names on each page, all the other names on the page are between these two.

For example, suppose you were looking for the name "Wall"; the first name on that particular page might be "Walker" and the last name "Wallace"; therefore, you would know that the name "Wall" must be on that page, since "Wall" comes after "Walker" and before "Wallace."

When you have found the name you're looking for, run your finger over to the right of the column, where there's a number preceded by a name. This name is the exchange district where the man whose number you're looking up lives, and the number is his number in that exchange. "Franklin 5700" means that his telephone is in the Franklin exchange district and his number is 5700. "Franklin 5700" is, therefore, the number you give the telephone operator.

The telephone directory also gives the street address and the business. Some very large concerns have what is called a private branch exchange, and their names are printed in capital letters. Usually only one number is given, even though there may be several telephones in use by the concern; that number is used for all departments.

The classified directories. Practically all city and telephone directories contain a classified section where all persons, firms, or corporations conducting business are listed under their business or profession. A great many take advantage of this section by paying something to have their names printed in heavier type than others in the same list. They also find it sometimes pays to be listed under several different headings and also in the advertisers' section. These classifications make it easy to locate quickly any individual, firm, or corporation, and they are also convenient for securing quick service in case of emergency calls.

How to use the dictionary. In some respects the dictionary is one of the most useful books in the office. The stenographer who does not have to use one constantly is indeed rare. Probably the dictionary is used more often as an authority on spelling and pronunciation than for any other purpose. But to get the most value out of the office dictionary requires more than an occasional reference.

For one thing, to be able to use words with their proper meaning is a faculty that must be cultivated and sometimes the misuse of words may be costly. Indeed, one great lawyer has said that if it were not for the misuse of words, the lawyers would starve. Whether this is true or not does not matter half so much as does your ability to make your meaning clear

to those to whom you are writing or speaking. Whenever you are in doubt about the meaning of a word, look it up. If you always take pains to make sure that you are saying just what you mean to say, you will find that you will gradually acquire a most useful habit.

What you can do with synonyms. There's another profitable use for the dictionary which it is well worth while to know about. Nearly every dictionary gives a list of synonyms—words which have almost the same meaning. Suppose, for example, that you are writing a letter or an advertisement, and you aren't quite satisfied with a particular word—either it doesn't mean exactly what you want it to mean, or it doesn't sound right—anyway, you feel sure there must be some other word that will express your thoughts a little clearer, but you can't seem to recall the word.

Turn to the dictionary, and find the word you're using; after the definition you'll see a number of other words which have almost the same meaning as the word you have in mind. Pick out the one that best suits your purpose. If you are not sure that the new word will express your meaning as you want it expressed, look up the definition of that word in the dictionary also; eventually you are sure to get just the word you want for your particular purpose.

The synonym books. For all ordinary purposes the list of synonyms given in the dictionary will serve; but some offices, particularly advertising and editorial, require even wider uses of words, and to meet this requirement, books of synonyms have been prepared. These synonym books, of course, give many more synonyms than the dictionary, and writers find them almost indispensable.

Some special directories. In addition to these three books—the city directory, the telephone directory, and the dictionary, of which nearly all offices have copies, some offices have special directories and reference books. Information about people and their doings, business and its progress, history and its development, and the thousand and one things which are going on all about us, has been compiled into reference books and directories covering nearly every conceivable subject. Ref-

erence books have become the principal source of information concerning the people living in various communities; their names; the business activities in which they are engaged; their financial, social, and professional standing; where they live, whether they keep house, board, or have rooms; where they work; and how their names are spelled.

Directories furnish a fairly complete knowledge of who makes, sells, buys, or trades in practically every line of merchandise or produce. They give information concerning all public institutions, such as hospitals, churches, clubs, societies, government departments, officials, buildings, parks, playgrounds, schools, and museums. They list private institutions, such as sanitariums, amusement halls, theaters, and hotels. They locate all transportation facilities, whether by water, rail, cab, or taxi. They direct people how to get to any place by furnishing a complete list of streets; where they begin, end, or cross others; where in every block and between what streets any given number is. A special house directory gives at each number of every street the people living or transacting business there.

Concerns whose customers are persons of social distinction and wealth frequently find social registers helpful. Most books of this kind contain the names of socially prominent people, arranged alphabetically by name and also by sections. This second arrangement is helpful to exclusive retail shops.

Then there are directories of manufacturers, with lists classified by products or by states or both; bankers' directories, showing the officers and financial standing of banks throughout the country; partnership and corporation directories. There are directories of trade names, registered and not registered, and their proprietors; lists classified by trades and professions; institutions, like schools and hospitals; foreign business houses and their local offices and representatives; publications of all kinds arranged by towns, which, in turn, are listed by states; manufacturers who advertise, with the names of their advertising managers and their agencies; and a directory of directors, giving the names of directors of corporations.

Sources of mailing lists. Directories may thus be profitably used in compiling lists of special trades or professions; in

selecting lists by occupations according to whether they are high-class, medium, or low-class prospects; in making up lists of persons within, say, 10 minutes' walk of a certain establishment; or in correcting the initials, addresses, or occupations of names on mailing lists.

One firm has even published a directory of mailing lists, giving a description of each list, its size and completeness, the number of names, where it can be obtained, and the price. A mail order house might find a book like this useful.

How to use a code book. Firms with foreign connections or correspondents also find use for a cable-code book which helps greatly to cut down the expense of cable messages by shortening the number of words required to convey the message. A code book is simply a directory of code words arranged alphabetically, each word being the code for a certain phrase. For example, the word "Dardejante" may stand for "Draft has been presented for payment," and the word "Daricus" may stand for "Draft is correct; please pay." Nearly every kind of message is given in a code book.

Suppose we desired to send a cablegram to London reading "Merritt Brothers draft has been presented for payment for two hundred dollars. Shall we pay for your account?" If we did not use a code book the cablegram would contain 18 words in addition to the name, address, and signature, which might bring the number of words up to 27. At 31 cents a word, the cablegram would cost \$8.37. By using code words we would get this result: "(name) (address) Merritt Brothers Dardejante Morderesti Genageld (signature)," making only eight words, which would cost only \$2.48, a saving of \$5.89.

Five special reference books. Among the special reference books there are five which are particularly useful. They are:

- (a) Mercantile rating books
- (b) Atlases and gazetteers
- (c) Railroad guides or pathfinders
- (d) The United States postal guide
- (e) Special bulletins and trade periodicals

Credit rating books. The mercantile rating book is a book giving the credit ratings of all persons, corporations, and

COLORADO—ORI

T Brown T. S. Gro M 4
 • Burchill Albert & Bros G S & Mill D+ 1½
 • Carroll Edgar G S J3
 • Clark Mrs. T. G. G S L 3½
 T Dalton John Gro M 4
 ½ Gorman Mrs. Geo. Confec, etc. M 4
 • Hayes Oscar G S
 T Hughes M. P. Gro K 3½
 • McEachern Mrs. B. G S & Milly L 3½
 S McFarlane Andrew Bsmith K 3½
 • O'Brien John G S & Saw Mill D 1½
 • O'Brien Mrs. Ruth G S J 3
 ½ Shanahan J D Confec, etc L 4

ORISKA, Kit Carson Co.—3 C

On C P R—Tel. Ex. Westfield, 5 M—
 St. John, 19 M

S Belyea H. R. Bsmith M 4
 ½ Crandall James Saw Mill

ORTIZ, Conejos Co.—1 D

(R. D. from Bathurst)

On C & G S R—Tel. Stonehaven
 2 M—Ex. Bathurst, 20 M

• Comeau C. B. G S L 3½
 Lombard & Sons Cornn Mers &
 Grindstones D+1½
 (Br Boston, Mass.)

S O'Hearn J. B. Bsmith M 4

OSGOOD, Weld Co.

• Richardson Myron G S M 4

OTIS, Washington Co.—1 D

On I C R—Tel. G N W—Ex. Can—
 —Pop 2,945

½ Abraham Theron... Fruit & Confec
 X Allan Clyde Painter
 • Amy Howard B & S L 3½
 ½ Anderson, R. G. Furn M 4
 T Armstrong Albert Gro G 3
 Arnburg Mrs. Crisella Rest M 4
 Arsensault David Meat M 4
 T Baird & Sons Whol Gro C 1½
 (Br St John)
 • Bannon M. J. G S G 3
 ½ Bell A. J. Furn. etc 3
 I Benson R. M. Coal L 3½
 V Bethune Geo. Elec Supply M4
 ▲ Blain Miss Evelyn Milly M 4
 ▲ Brander Richard D G G 3
 ½ Brightman Henry H. Bak L 3½
 • Brotsky Lucian G S M

OURAY, Ouray Co.—1 C

On I C R—Tel G N W—Ex. Car
 Jacquet River—Pop 200

II McKenzie Silas Flour M
 ½ McMillan Henry Saw Mill
 • McMillan Lewis G S F
 • Windsor David (Mrs. A. I.) G S

OVID, Sedgwick Co.—3 C

(R. D. from Lepreau)

On C P R—Tel. Ex. St. George

• Chittick Charles G S I
 • Giles Thos. G S M
 • Mulherin Charles G S K
 ½ Smith Rudolph Saw Mill

OXFORD, LaPlata Co.—3 D

x, Tel. Ex. Sussex, 7 M—Pop

S Chapman Peter Carriagemkr M
 ½ Hartt Lyle S & G Mills K
 • Keith R & Co. G S L
 T Mace Samuel Gro I
 II Oldfield H. S. Grist Mill I
 • Tamlyn H. P. G S L

PADRONI, Logan Co.—1 D

On I C R—Tel. Ex. Petit Rocher—
 Bathurst

• Doucet Mrs. John P. H. G S M

PAJODA, Routt Co.—2 D

x, Tel. Ex. Newcastle, 16 M
 McCollm Mollie Fish H

POGOSA JUNCTION, Archuleta Co.

(R. D. to Midland)

On I C R and N B C & R—Tel. V
 Ex. Can— —Pop 300

• Allaby Co., Ltd. G S H
 C Campbell Mrs. William Hotel I
 S Carson Roscoe Bsmith K
 Folkins Perry Meat M
 C Foohey J. L. Hotel & Liv(d) L
 • Gallagher & Co. G S & Lbr J
 • Harmer R. P. G S & Lbr I
 S Hemsworth P. D. Bsmith M
 • Howe Walker G S L
 S Innis S. N. Carriagemkr M
 S Loughery N. O. Liv I
 • Myers Alfred G S & Lbr
 (e) Patriquin R. A. Garage J
 P Reynolds Arthur Creamero L
 T Robertson Douglas Gro K

FIGURE 14: This page is taken from Dun's Register. Suppose Henry H. Brightman of Otis, Colorado, should apply to you for credit. To look up his credit rating you first find "Colorado," after that "Otis," and after that "Brightman." After his name appear the symbols L 3½. The key to these symbols is shown on page 51.

KEY TO RATINGS

Subscribers are urged to consult the latest detailed reports in our possession in every case involving credit. Over 4,000 changes are made each business day.

Left-hand column			Right-hand column			
Estimated pecuniary strength			General credit			
			High	Good	Fair	Limited
Aa	Over	\$1,000,000	A1	1	1½	2
A+	Over	750,000	A1	1	1½	2
A	\$500,000 to	750,000	A1	1	1½	2
B+	300,000 to	500,000	1	1½	2	2½
B	200,000 to	300,000	1	1½	2	2½
C+	125,000 to	200,000	1	1½	2	2½
C	75,000 to	125,000	1½	2	2½	3
D+	50,000 to	75,000	1½	2	2½	3
D	35,000 to	50,000	1½	2	2½	3
E	20,000 to	35,000	2	2½	3	3½
F	10,000 to	20,000	2½	3	3½	4
G	5,000 to	10,000		3	3½	4
H	3,000 to	5,000		3	3½	4
J	2,000 to	3,000		3	3½	4
K	1,000 to	2,000		3	3½	4
L	500 to	1,000			3½	4
M	Less than	500			3½	4

Where only a)
credit rating ap-
pears, this line)
of credit desig-
nation appears.)

1 2 3 4

(d) Where an italic *d* in parenthesis precedes a rating, it is an indication that one or more of the partners in the firm are liable in another or other firms, and the responsibility is in that sense divided, thus: (*d*) B+1.

The absence of a rating, whether of capital or credit, indicates those whose business and investments render it difficult to rate satisfactorily. We therefore prefer, in justice to these, to give the detailed reports on record at our offices. The rating of branch houses should always be looked up at headquarters also.

FIGURE 15: Here is the key to the ratings given in Dun's Register. You want to find out what L 3½, the symbols describing Henry H. Brightman's financial condition, mean. By glancing down the column to the left you find that his financial strength is from \$500 to \$1,000—and in the right-hand column that his credit is fair.

firms doing business. These ratings are determined by mercantile agencies which make a business of collecting and arranging credit information.

Since over 90% of the business of our country is said to be conducted on a credit basis, business men can reduce losses in bad debts by eliminating guesswork in granting credit privileges. Every business man naturally wants to keep his credit ratings as high as possible. It is also essential for wholesalers and manufacturers to obtain the most reliable information possible concerning the financial standing and integrity of their customers and their prospective customers.

The subscription to the rating books also usually includes a number of special reports. The reference books are usually issued every three months, but special reports can ordinarily be obtained at almost any time. If a merchant asks a wholesaler to sell him goods on time, the wholesaler obtains a report concerning the amount the merchant has invested in his business, his estimated wealth, the time engaged in business, and the probability of success or failure; if the report is satisfactory, the credit is allowed.

It is often advisable to consult the latest statistics when looking up the rating of any firm, since it is estimated that over 4,000 changes in ratings are made daily by the various mercantile agencies.

The names in the reference books are arranged alphabetically according to states and cities. If you wish to look up the financial standing of Hiram R. Barton, of Lincoln, Nebraska, you would first find Nebraska and then the city of Lincoln. Opposite his name you will see the kind of business and the letters and figures signifying Barton's capital rating and his credit. On page 50 is shown a sample page of mercantile ratings from Dun's Register and on page 51 is the key to the ratings. You will find it interesting and perhaps profitable to practice looking up ratings until you can do it readily.

Atlases and gazetteers. If you have frequent occasion to look up the geographical location of cities and towns, and such points as relative distances between places, a good atlas and a gazetteer will serve your purpose.

The railroad guide. The railroad guide or pathfinder, as it is sometimes called, is another source of valuable information, especially for sales departments where the salesmen's trips must be scheduled and sometimes close connections with trains made. The pathfinder usually contains the running time of trains on all the railroads in the United States; a man in San Francisco could map out a trip clear across the country to Boston, and know just what trains to take at each transfer point, as well as stopovers, before he even started.

The U. S. postal guide. The last of the special reference books on our list is the United States Postal Guide, published in July of each year by the Post Office Department at Washington. This book, which is kept up to date by monthly supplements, contains not only comprehensive information about domestic and foreign mail matter, together with rules and regulations governing the various classes of mail matter, but also complete lists of all the postoffices in the United States, arranged alphabetically by states, by counties, by classes, and by names.

The monthly supplements contain the latest changes in postoffices and additional information about the postal service, particularly with reference to new rulings and changes in the old rules. The guide is used to advantage by most concerns in their mailing and shipping departments, to check addresses, verify postage and to enable them to comply with the requirements of the Post Office Department.

Special bulletins and guides. Although we have covered the scope of the principal reference books likely to be used in business offices, nevertheless one extremely valuable source of business information remains to be considered. This source consists of special bulletins, trade, technical, financial, and business periodicals, and various kinds of guides. The special bulletins and guides usually contain current information that is continually changing in character, such as prices of merchandise, stock and bond quotations, dividend and interest dates, special and general meetings, steamship sailings, earnings of corporations, and so forth.

Trade periodicals and business magazines. Each trade has its own periodical, containing the latest news about the

trade and also any special information that may be of value. One advantage of the trade periodicals is that they enable their subscribers to keep up to date and posted on happenings in their particular trades.

Then there are general business magazines, which contain material that is not restricted to any special field, but is usually adaptable to any business. A careful study of the best of these periodicals will help to develop many valuable ideas that might otherwise be lost forever.

One more word about reference books. It is not necessary to know everything, but the more we know the more useful we may become; and the next best thing to knowing anything is to know how and where to find it. There are many office workers who do not know how to use the index in dictionaries and other reference books so as to find quickly the desired word, name, or data. Practice searching for different kinds of information so that you can find what is wanted when it is wanted and you will make yourself a more valuable assistant in any office, or indeed, in many other situations.

STANDARD QUESTIONS

Sources of information

1. Who compiled the first unabridged dictionary in the United States?
2. Is the dictionary a necessary office reference book?
3. What kind of information is found in a thesaurus?
4. What kind of information is found in a gazetteer?
5. What kind of information is found in a year book?
6. What kind of information is found in a Who's Who?
7. What kind of information is found in business journals?
8. What kind of information is found in a credit rating book?
9. What kind of information is found in an encyclopedia?
10. What are synonyms? Give examples.
11. What are homonyms? Give examples.
12. What are antonyms? Give examples.
13. Why should we be strictly accurate in the use of our language in business transactions?
14. How would we find out where a prominent man was born and what he did?
15. How would you find out the fastest route for sending mail?
16. How would you find out the best express company by which to make a shipment?

17. How would you find out the best freight route for shipping goods?
18. How would you find out about the financial standing of a customer?
19. In what way is a gazetteer of use in an office?
20. Of what value is an atlas in an office?
21. Why is it important to know where raw materials are produced?
22. Why is it important to know the principal manufacturing centers?
23. Why is it important to know the chief shipping centers?
24. In what way is broad general information of value?
25. How would you find in an atlas the location of a city?
26. Where would you find the leading facts about a city?
27. Where would you look for the biography of a prominent politician?
28. How would you use the index in an encyclopedia?
29. What are the two largest credit rating agencies of the United States?
30. How does the country merchant secure a good credit rating?
31. Why is it important for any merchant to have a good credit rating?
32. Why is it important for the wholesale merchant to know the capital and credit rating of customers?
33. What merchants have no capital or credit rating?
34. Can the country merchant without a capital or credit rating buy goods from the wholesale merchants?
35. Under what conditions do mercantile agencies furnish private reports on ratings?
36. How do merchants in country towns and cities get the credit standing of private individuals?
37. About what percentage of business is transacted on a credit basis?
38. Can all business be conducted on a cash basis?
39. What is the highest rating a firm can have according to the Dun key?
40. What is the lowest rating a firm or individual can have?
41. What would the rating "2" indicate?
42. What would the rating "A 1" indicate?
43. What would the rating "(d) B+1" indicate?
44. How would you find a name in a credit rating book?
45. Does the commercial agency guarantee that a man is honest or will pay his bills?
46. Does the agency guarantee that a man is worth so much money?
47. Does the credit man of a wholesale house depend entirely on the report of a commercial agency in deciding upon the credit of a customer?
48. What are Dun's notification sheets?

STANDARD QUESTIONS

How to use directories

1. State the object of any directory.
2. Is the directory a public convenience or a necessity?
3. In early days before directories were used how did the people obtain desired information?

4. What was the first city directory published in the United States?
5. What information is contained in a directory?
6. How is the directory of value when you wish to buy something? To sell something? To call a doctor?
7. In case the water pipes spring a leak how would you find the nearest plumber?
8. How would you locate by telephone a person at his place of work when he had no telephone?
9. How would you find what cross street is nearest a given address?
10. How would you find the location of a prominent office building?
11. How would you locate a small corporation?
12. How would you locate the business address and firm name if you knew a person's name?
13. How would you find the name of the person if you knew the street number?
14. How would you find out the occupation and whether a person was rooming, boarding, or keeping house?
15. How would you find out where to go to pay your taxes? To record a deed? To safely deposit your money? To buy a railroad ticket? To rent an apartment? To ship goods by express or freight?
16. If you came into a town as a stranger where would you get access to a directory?
17. How would you find out where to rent a room near a school?
18. How would you find out the location of the bank nearest to your place of residence?
19. How would you locate the nearest church to your place of residence?
20. How would you find out the salary of the mayor of your city?
21. How would you find out the address of the Board of Health? Board of Education? Board of Aldermen?
22. How would you find out how many railroads entered your city?
23. What is the value of classified business directories?
24. Of what value would a classified directory be if you were marketing a special feed suitable for horses?
25. If you were marketing a high-grade article how would the directory aid you in obtaining a mailing list?
26. Should you wish to reach the medium class of trade how would the directories be of service?
27. Of what value are directories several years old?
28. Why should the directory in general use be up to date?
29. How are directories of use in correcting mailing lists?
30. How could you obtain a list of individuals who were within a five minutes' walk from a certain office?
31. Of what special use are directories in a lawyer's office?
32. Of what special use are directories in an instalment house office?
33. How could you find the name of a customer whose name was lost or could not be read, if you knew the city and street number?

34. Suppose the state was missing but you knew the name of the city was Portland; how would you find the address?
35. How would you find out the best transportation service in a city?
36. What are the advantages of having special corporation, professional, institutional, and social directories?
37. Why is not a telephone directory as serviceable as a general city directory?
38. What use would you make of directories in case of accident, fire, or burglary?
39. What information is found in Blue Books?
40. What use cou'd you make of directories in selecting a location for a tea room?

STANDARD EXERCISES

Suggestive search questions

1. What were some of the early kinds of manufacturing?
2. What has been the influence of the invention of machinery?
3. What has been the influence of the increase in population?
4. What has been the influence of the improvement in transportation?
5. What factories are usually located near the raw material?
6. What factories are usually located near the distribution market?
7. What factories import their raw material?
8. Why does the United States import her raw silk while Italy grows most of hers?
9. Why do we ship iron ore from the mines instead of manufacturing steel products at the mines?
10. Why does Australia not manufacture much steel when she has plenty of iron ore and fuel?
11. Why does England import her wool and cotton?
12. Why do we have more flour mills than sugar mills when we import so much sugar?
13. Why is it an advantage to replace wooden cars and bridges with steel and concrete?
14. Why is New Jersey an important manufacturing state when it has little fuel or water power, and imports most of the raw material used?
15. Why are there more important cities on the Atlantic coast than on the Pacific coast of the United States?
16. Why are there more cities on the United States side of the Great Lakes than on the Canadian side?
17. Why does West Virginia rank low as a manufacturing state when it produces much coal, iron ore, natural gas, and petroleum?
18. Why is three-fourths of all the manufacturing of the United States carried on east of the Mississippi River and north of the Mason and Dixon line?
19. Which is the most important industry of the United States?
20. According to value of products, what is the leading manufacturing industry of the United States?

21. What industry has shown the largest percentage of increase in business during the past year?
22. Are there greater business opportunities in the manufacturing or mercantile lines in the United States?
23. Why does South Africa do little manufacturing?
24. Why are wages lower in England than in Canada?
25. Could a manufacturer produce cheaper goods in a rich country than in a poor one?
26. Compare the importance of water power and coal in the development of manufacturing in New England and Pennsylvania?
27. Why is water power likely to increase in importance?
28. Is the profit-sharing plan for employees likely to produce greater efficiency in the working force?
29. Why does the average person stand a better chance to succeed in business than in a profession?
30. What are some of the advantages of piece work?
31. What are some of the advantages of cooperation?
32. Should there be a struggle between capital and labor?
33. What is the greatest manufacturing country of the world?
34. What country manufactures the best linen?
35. What country manufactures the best leather?
36. What country manufactures the best cheese?
37. What country manufactures the best dyes?
38. What country manufactures the best china?
39. What country manufactures the best cutlery?
40. What country manufactures the best paper?
41. What country manufactures the best wine?
42. What country manufactures the most sugar?
43. What country manufactures the most woolens?
44. What country manufactures the most silk?
45. What country manufactures the most cotton?

CHAPTER V

USING THE TELEPHONE AND TELEGRAPH TO BEST ADVANTAGE

SCIENCE has placed at our disposal two great time savers—the telephone and the telegraph. Nearly every business office has a telephone, and the telegraph is often used where the expense of telephoning would not be warranted. The telephone gives almost immediate communication, while the telegraph is a little slower, but not quite so costly for long distances. To learn how to make the best and most profitable use of each of these devices, when to use the one and when to use the other, or when not to use either, we will take up each, starting with the telephone, and bearing in mind that the object in both cases is to save time.

Which should be used? It costs money to use either the telephone or the telegraph. If the time saved is not worth the cost, then it is not profitable either to telephone or telegraph. This refers more particularly to long distance telephone calls than to local calls, but it is well worth bearing in mind at all times. It takes only 10 dimes to make a dollar and every dime saved represents 10% on each dollar of capital invested.

Since the main object of all business is to make a profit, all unnecessary expenditures must be carefully watched, and the telephone and telegraph furnish an easy way of spending money unprofitably. But where the slightest doubt exists as to whether to telephone or to telegraph, it is better to decide in favor of the telephone every time.

The proper way to telephone. There are, however, other ways of saving time in using the telephone than the mere annihilation of distance. Considerable time may be saved by knowing how to use the telephone properly. In the previous chapter

we have learned how to find the telephone number. In using the telephone, therefore, we have only three things to consider—the use of the instrument, making a call, and answering a call.

In using the instrument, lift the receiver from the hook and place it closely against your ear; put your lips directly in front of and close to the mouthpiece of the transmitter, and speak in a moderate tone of voice, enunciating your words distinctly. Do not talk fast.

To make a telephone call take the receiver from the hook and place it at your ear. The operator will say: "Number please?" Give the exchange name and number of the subscriber wanted and the operator will repeat them to avoid mistakes. Remain with the receiver at your ear until an answer is received. This courtesy is due the operator.

If the desired line is busy, the "busy" signal (an interrupted, buzzing sound), or the operator, will notify you of that fact. This means that the line called for is connected with some other line. Hang up the receiver and wait a few minutes before trying that number again.

How to call a number. In giving the number to the operator, state the name of the exchange first, and then the number, like this: Franklin 5700 (Franklin, five, seven hundred). Each figure of the number should be spoken distinctly, making a pause after the name of the exchange, and after the first two figures, like this: "Lincoln, two three, four six" (Lincoln 2346). Where the number ends in two zeros, use the word "hundred," as above; where it ends in three ciphers, use the word "thousand," as "Main, three thousand" (Main 3000).

Your object in making these pauses is to help the operator make the connection more quickly. The first two numbers represent the number of the switchboard, and the last two numbers represent the number on that switchboard. In Lincoln 2346, the subscriber's telephone is number 46 on switchboard number 23 in the Lincoln exchange.

Speaking the numbers this way also helps you to memorize the numbers themselves, since it is much easier to carry two numbers of two figures in your mind than one number of three or four figures.



FIGURE 16: This is the way they telephoned in 1879. This switchboard is one of the first which Alexander Bell established in New York City. "A crank who says he can talk through a wire," is the way the newspapers described him then.



FIGURE 17: This modern telephone exchange' doesn't look very much like the one shown at the top of the page. You will notice that in this photograph there is not a man or boy in the room, while in 1879 there were no women operators at all.



FIGURE 18: The young woman shown here operates this switchboard in addition to doing stenographic work.



FIGURE 19: Hold the receiver firmly to the ear with the left hand. Leave the right hand free to take notes.



FIGURE 20: Here are four devices for interhouse communication. Name each one that is shown in the picture and tell how it is used. Describe in a few words just what the man is doing and why you think he is doing it.

How to answer the telephone. In answering telephone calls do not say "Hello," but give your name or the name of your firm, or both, such as "Berkeley and Company, Lee talking"; or "Shipping Department." Some firms ask their employees in answering calls to give simply the telephone number. Whatever way the manager instructs should of course be followed, the object always being to save time, both yours and that of the person calling.

In the front part of the telephone directory are given additional suggestions for using the telephone, as well as for making long distance calls, and you should familiarize yourself with this information, so that you can use it when needed.

Answering calls for your employer. In many small offices one person may handle all the incoming telephone calls. That person may have to give information requested over the telephone, or she may have to "relay" the calls to others in the office. Many executives dislike to be interrupted in their work, and they instruct their assistants not to disturb them unless the call is really important. The assistant often has to decide whether or not she shall call her employer to the telephone.

In one office the assistant first finds out the name of the caller and the nature of his business, and then decides whether it is important enough to let him talk with the manager. Very often she can handle the business herself, and her employer much prefers that she should. It saves his time and thereby makes her much more valuable to him.

Handling interhouse calls. Many larger offices having numerous telephones handle all calls, both within the house and outside, through a central switchboard which may be small enough for a stenographer to handle, or large enough to be called a "private branch exchange," with several operators. A central switchboard like this makes it possible for the interhouse calls to be handled expeditiously and at the same time permits a control on the outside calls.

Two other methods of interhouse communication are worthy of mention. One of them is somewhat like the telephone, except that it is much more sensitive, and does not require any "central" operator. In any dictograph system, as one of

these methods is called, there are two or more "stations," each station being a complete instrument, which looks something like a box. One of the advantages of the dictograph is the ability to speak in a natural tone of voice without holding the receiver to the ear. Of course it is limited to interhouse use and is much more expensive than the telephone.

One way of getting confidential information. Sometimes there are occasions when it is desirable to get information without using the telephone, or without divulging the fact that you are getting the information. In some banks, for instance, if you present a check to be certified, perhaps you will notice that the teller goes to a corner of his cage and makes a notation. Then he prepares one or two forms to sign and after a few minutes he goes to the corner again and looks at what is written there. He proceeds next to certify your check, or to tell you that he cannot certify it.

What the teller did was to write on the telautograph, an electric instrument which transmits the actual writing to another department of the bank, where your account was looked up, to see if your balance was large enough to permit him to certify your check, or obtain any other interesting information.

How the telegraph facilitates business. While the telephone has become the personal servant of business, the telegraph has also developed rapidly, and the combination of the two kinds of communication makes possible the rapid and intelligent interchange of information of all kinds.

What it costs to telegraph. Two particular points of distinction stand out between the telephone and the telegraph. Conversation over the telephone may be more or less unlimited. You may ask or answer as many questions as you like, and the connection is practically instantaneous. An ordinary business conversation that lasts over 15 minutes is exceptional.

With the telegraph, however, the message is first written, and then sent over the wire, and you must wait for a reply. Each word of a telegram, except the address and signature, is charged for, although any number of words up to 10 may be sent for a specified charge. Each word over 10 is charged for at so much a word.

Right here is the first opportunity to stop unnecessary telegram costs—whenever possible, without sacrificing the sense, limit the number of words in the message to 10. The address and signature are not counted in a telegram, as in a cable message. Of course the longer the distance, the greater the cost, and the proportionately greater saving by limiting the number of words. Few ordinary messages really require more than 10 words. Unnecessary and meaningless words, such as “a” and “the” and “are,” may often be omitted.

Writing out your telegram. Perhaps the easiest way to prepare a telegram is to write out what you want to say, and then cross out such unnecessary words as do not affect the meaning. For instance, suppose we have just received a request from one of our largest customers in a city 1,000 miles away for immediate specifications and quotations on some of our products. It happens that one of our salesmen is near that city but does not expect to go there until next week.


We have a choice of two actions—either to “wire” our quotations direct to the customer, or to wire our salesman to stop work where he is and go to the city where our customer is located. By calling personally the salesman gets the opportunity to answer any questions the customer may wish to ask, and he can also help the customer in ordering.

Accordingly we decide to wire the salesman. We could probably write something like this:

“Please leave your work in Albany and go to New York immediately, and call upon Mr. D. E. Peterson, who wants us to give him specifications and quotations on our numbers 8, 23, and 35.” This makes 37 words. By cutting out unnecessary words we can reduce this to:

“See Peterson Newyork immediately numbers eight twenty three thirty five.” This makes exactly 10 words.

Notice particularly that “Newyork” is counted as one word and should be so written in all telegrams. Numbers also should be spelled out; each digit of a number is counted as one word: “10,000,000” would be counted as eight words, while “ten million” is only two words. Each hyphenated word should be written as one word, without the hyphen.

CLASS OF SERVICE DESIRED			RECEIVER'S NO.
TELEGRAM	<input checked="" type="checkbox"/>		CHECK
DAY LETTER	<input type="checkbox"/>		CASH OR CHARGE
NIGHT MESSAGE	<input type="checkbox"/>		TIME FILED
NIGHT LETTER	<input type="checkbox"/>		
Patrons should mark on a separate card the class of service desired. STRENGTH OF THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM.		GEORGE W. E. AYRINE, FIRST VICE-PRESIDENT NEWCOMB CARLTON, PRESIDENT	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

MARCH 15, 1919

E L DEAN
GRAND HOTEL
ALBANY N Y

SEE PETERSON NEWTORK IMMEDIATLY NUMBERS EIGHT TWENTY THREE
THIRTY FIVE

CLARK

10 WORDS

FIGURE 21: This is how the telegram on page 65 is prepared for sending to the telegraph office. You will notice that it is typed entirely in capitals, that New York is written as one word, and that the punctuation is omitted.

MEMORANDUM OF TELEPHONE CALL

For Mr. _____ Time _____ Date _____
Mr. _____ of _____
left this message: _____

His number is _____ Please call him at _____
Signed _____

FIGURE 22: A memorandum slip like this for noting down telephone messages helps to make sure that all the desired information about any call is given. Some offices have the slips printed on pink paper. Can you think of any reason for this?

How one manager handles telegrams. One office manager makes it a rule that all telegrams sent out from his office shall be typewritten in capital letters without any punctuation or sentence spacing; his reason for this is that the telegraph company writes all telegrams that way and by writing his telegrams the same way, he can see just how his telegrams are going to look when they are received at the other end. "Often the omission of a period or comma will change the entire meaning of a sentence," he says, "and I'd rather find it out before I send a telegram than afterwards."

Another manager uses the word "stop" when he finds it absolutely necessary to use periods; of course this adds one word to the cost of the telegram, but he says it sometimes pays.

Cipher and code words. Improper grouping or mutilation of words is not permitted, although groups of figures or letters which are not dictionary words of one of the eight specified languages will be counted at the rate of five characters to a word.

For example, "ALRIGHT" would be counted as two words because they are improperly combined, while "navy-yard," "cannot," or "can't" are each counted as one word. "HAVYU" would not be permitted or would be counted as two words because it is purposely mutilated for the purpose of gaining a word. "Cipher" or "code" words may, however, be used for regular telegrams, but not for day or night letters, which will be discussed later. "ITISI" would be counted as three words, while "SIITI" could be used as one cipher word and might mean "Your order was shipped today."

Many firms issue code books or sheets in which their products are designated by code words. For example, an automobile manufacturer designates a "rear axle left housing nut bolt No. 352" by the code word "EEM" while "DECEIVABLY" means: "Ship immediately by express prepaid." The private code insures secrecy, since only those having copies of the key can read the message. Among the universally used code systems are A B C, Lieber's, and the Western Union.

How to make your message clear. It may be well to remember that it is not economy to sacrifice clearness for brevity.

If your message isn't clear, add enough words or change it until it is clear. Otherwise you may be simply throwing away not only the cost of the telegram, but also the cost of possibly two more telegrams—one from your salesman asking for more information, and your answer to him.

What we have studied thus far applies practically to so-called "regular telegrams," or "fast day messages," as the telegraph companies call them. There are three other kinds of telegraphic messages which may be used—the "night message," the "day letter," and the "night letter." Each of these has its uses and often one of them will serve the purpose just as well as a "regular telegram."

Night messages and day letters. The "night message" is the same as a regular telegram, except that it is sent during the night, and delivered the following morning, for a lower rate for ten words than a regular telegram. For $1\frac{1}{2}$ times the cost of a regular telegram of 10 words you can send a "day letter" of 50 words or less.

This leeway of 50 words makes it possible to make our message longer than if we used only 10 words; on the other hand, the day letter is not as fast as a regular telegram. The regular telegram is usually transmitted as soon as received, while the telegraph company agrees to send the day letter "some time during the day." This enables the telegraph company to keep its wires busy during what might otherwise be slack periods.

Ordinarily a day letter is only about two or three hours slower than a regular telegram. If, for instance, a telegram was sent from Chicago to Boston, leaving Chicago at 9 a. m., it might be delivered in Boston within half an hour, while a day letter sent at the same time might not reach Boston before 11 or 12 o'clock, and if the wires between Chicago and Boston were unusually busy, the day letter might not get through before 3 or 4 o'clock. Delays like this are, however, said to be rare, except in severe weather.

Night letters. A "night letter" of 50 words or less may be sent for the same cost as a regular telegram of 10 words, the telegraph company agreeing to deliver the message before 12 o'clock the following noon. Similar considerations apply to

night letters as to day letters. The messages are sent "some time during the night," when the wires are least busy.

Although the company does not agree to deliver a night letter before 12 noon the next day, usually a night letter from Chicago to Boston, for instance, would be delivered in Boston about 7 or 8 in the morning, or on the first mail in the morning. Needless to say, the telegraph companies have built up a profitable business out of night letters and day letters, at the same time benefiting their patrons.

Which kind of message to use. Just which kind of message to use depends largely on the urgency of the message. If your message required an immediate reply, of course you would use a regular telegram. If you didn't require an immediate reply but simply wanted an answer during the day, a day letter might serve; and if you didn't need an answer the same day, but couldn't wait for the mails, you could use a night letter.

From many postoffices there are no Sunday deliveries of mail. If you were planning to leave town Saturday night on an extended trip and found Friday that you had to have certain information from your Boston office, you would probably send a day letter to your Boston office; they would reply with a night letter, which would reach you Saturday morning. If you had written, the letter could not have reached Boston in time to get any kind of reply back to you before you left town Saturday night.

If you didn't realize until Saturday morning that you had to have the special information, then you would have sent a regular telegram and probably would receive either a day letter or a regular telegram in reply, depending upon how long it took to look up the information.

Long distance messages. While the telegraph is used for continental long-distance communication, when we wish to wire business men in London or other foreign places it is necessary to use cable service or the wireless, which has been developed very rapidly. The rates for "marconigrams," as the wireless messages are called, are a little less than for cablegrams.

Cables and cable messages. There are four kinds of cable messages: full rate, deferred half rate, cable letters, and week-

end letters. The full rate cablegram is transmitted without delay. The deferred half rate cablegram is usually transmitted in order, but it is subject to being deferred in favor of full rate messages for not over 24 hours.

Cable letters perform a function similar to that of day and night telegraphic letters—the sending of a longer message at a lower rate, subject to delivery at the convenience of the cable company within 24 hours. Week-end cable letters are similar to cable letters except that the rate is slightly lower and the message must be filed before midnight Saturday for delivery Monday morning.

In the lesson on directories we learned how to write cablegrams in code. As with telegrams, only regular full rate cablegrams may be written in code.

Cable and wireless addresses. In this country there is no charge for the address, date, and signature in telegrams unless extra words are included; but in cablegrams and marconigrams it is customary to charge for every word, so the messages are further abbreviated by the use of cable addresses.

For example, if a cable is sent to the Commonwealth Edison Electric Light and Power Company of New York, the full address would be counted as eight words. The company might adopt a cable address such as “CEDELCO” which is made up from parts of the company name. If no other firm had adopted this name it could be registered and accepted as the address of that particular company. Cables addressed to “CEDELCO, NEWYORK” could be delivered easily and would be counted as two words instead of eight.

Sometimes two firms doing a large amount of cable business with each other will adopt a “reversible cable address,” so that each firm will address the other by that word and they will know by whom the message was sent as soon as they receive it. It is not necessary in that case for either to sign their message. You can easily see that this would mean a considerable saving in the course of a few years.

Transferring money on short notice. One really important service performed by the telegraph and cable companies remains to be considered—the transfer of money by telegraph

or cable. Occasions often arise when it is necessary to pay money at some distant point upon very short notice, so short that it would be obviously impossible for either the mail or the express to reach that point in time. Resource must therefore be had to the "wire" companies, who will arrange for the immediate transfer of funds from any part of the world to any other part at a relatively low cost.

The rates vary according to the distance, since the regular rate for a 15-word message is added to the transfer rate, which runs from 25 cents for \$25 to 85 cents for \$100, with a rate of 25 cents for each additional \$100 up to \$3,000, and 20 cents for each additional \$100 above \$3,000.

This gives an opportunity for paying premiums, taxes, fines, assessments, or mortgages before a fixed time limit expires. A deposit is often required to guarantee a purchase, sale, contract, or advertisement. Travelers and salesmen require extra funds on short notice, and there are many other ways in which business is facilitated and the public accommodated by these telegraphic transfers of money.

Differences in time when telegraphing. When transferring money at a specified time, or when important business transactions must be accepted or closed before some fixed date, it is necessary to know the difference in time between the two places, especially if they are far apart. Since the earth rotates on its axis once in 24 hours and there are 360° in a circle, the sun seems to travel 15° in each hour of time, which makes a difference of one hour with each 15° of longitude. If a message is started at 3 p. m. in San Francisco it would reach New York instantly, but the offices there would all be closed for the day, because the time in New York is three hours ahead of San Francisco time. If a cablegram leaves New York for London at 3 p. m. it would be 8 p. m. when it arrived in London, which is about 75° east of New York.

If you should start a wireless message from a steamer in the Pacific ocean just east of the international date line at noon on July 1, it would reach San Francisco about 4 o'clock in the afternoon; New York at 7 o'clock; London at midnight; Constantinople at 2 o'clock the next morning; Manila at 8

o'clock the next morning, and it would reach a steamer just west of the date line at noon of July 2. If your steamer now crosses the date line going west you will gain a day in a second. Therefore, if you wish to send money by cable from San Francisco and have it in Manila on July 2, you must send it on July 1, or it will arrive a day too late.

You can easily calculate the difference in time between two cities by finding the difference in degrees and dividing that by the number of degrees in an hour of time, or you can obtain from the telegraph or cable company a table showing the difference in time between the important cities of the world.

TELEPHONE STANDARDS

How to use the telephone

1. Before calling for a number consult the directory. There are over 500,000 numbers in some directories. Don't try to remember all of them.
2. You can save time in looking up numbers if you make a list of the numbers you call most frequently and keep it near the telephone.
3. Speak into the transmitter, not at it or at the ceiling.
4. Keep your voice below your ordinary pitch rather than above it.
5. If you can't be understood, try to speak more slowly and distinctly.
6. Listen when the operator repeats the number after you and see that she gives it correctly.
7. Do not say Central 2978 if you mean 2987.
8. Say two-nine, eight-seven—not twenty-nine eighty-seven, or two thousand nine hundred eighty seven.
9. Say four, four-four—not four double four or four forty-four.
10. Say two-one, one-O—not two one ten.
11. Say three hundred—not three double O or three O O.
12. Say five thousand—not fifty double O or five O O O.
13. Say three, five hundred—not thirty-five double O or thirty-five hundred.
14. Don't hang up the receiver when you get the wrong number.
15. Move the receiver hook slowly up and down to attract the operator's attention and then give her the right number.
16. If you wish to make an emergency call and don't know the number, simply say you want to report a fire or you want to get a policeman.
17. No charge is made for emergency calls.
18. In answering the telephone, do not say "Hello." It is a waste of your time, and the time of the person calling you.
19. Introduce yourself by giving your number, or your firm name and then your name.
20. Don't give any information until you know to whom you are talking.

21. Don't trust your memory in receiving messages but always have a pencil and pad at hand for taking notes.

22. When there is a call for a member of the office force who is absent, secure the name and number of the person calling and also the message if possible. It is a good idea also to note the hour the call was received.

23. If possible without being discourteous, find out what is wanted before connecting a call with the manager. Perhaps you can answer the question and save the manager's time.

24. Don't get angry. It is unbusinesslike. Besides you may be the one who is to blame.

25. A well-modulated, pleasing voice, tact, and good judgment will help to win friends for your employer and promotion for yourself

26. Don't do your visiting over the telephone during office hours.

TELEGRAPH STANDARDS

Writing, sending, filing, and receiving telegrams

1. The telegraph is less expensive than the telephone for long distance communication.

2. The cost of a telegram depends on the number of words in the message.

3. Each figure and punctuation mark is counted as one word.

4. Spell out all numbers; it usually costs less.

5. Quotation marks and parentheses are counted as one word.

6. Omit the complimentary close and the salutation in telegraph and cable messages.

7. Omit words that do not help make the message clear.

8. Abbreviations in common use, such as c. o. d., f. o. b., o. k., %, a. m., and p. m. are each counted as one word and should be so written: cod, fob, ok, %, am, pm.

9. Make your telegram brief, but never sacrifice clearness to brevity.

10. If desired, messages may be "repeated back" for one-half of the rate for telegrams, or one-fourth of the full rate for cablegrams.

11. Repeating the message helps to insure correct transmission, but no guarantee of accuracy is given by the telegraph or cable company.

12. It may take from two to four hours to get a reply to a message if there is a large amount of business ahead of your message.

13. Government messages have priority in their transmission over all other messages.

14. A special government rate is made on the transmission of all weather bureau reports.

15. The use of ciphers and codes reduces expense and assures secrecy.

16. The use of a code is permissible in day and night telegrams and in cablegrams but not in day and night letters, deferred cablegrams, cable letters, and week-end cable letters.

17. A day letter containing 50 words costs only $1\frac{1}{2}$ times as much as a telegram, but it is not so fast.

18. A night letter of 50 words costs the same as a telegram of 10 words.
19. Never send a regular telegram when a day letter will serve your purpose.
20. Never send a day letter when a night letter will do as well.
21. Never send a night letter when the mails are fast enough.
22. If your business is urgent enough to require a regular telegram, it is not economy to send a day or night letter.
23. Messages should be typewritten in triplicate on blank forms furnished by the telegraph company.
24. The original copy is furnished to the telegraph company for transmission.
25. One copy may be enclosed in a letter confirming the telegram.
26. The third copy is to be filed in your office as a record of the message, and also to check the telegraph company's bills.
27. In cablegrams each word in the address, date, and signature is charged for.
28. Marconigrams may be used in transoceanic communication.
29. Marconigrams cost a little less than cablegrams.
30. Deferred half rate messages, cable letters, and week-end letters are cheaper than regular cablegrams but not as prompt.
31. You are wasting money if you send a regular cablegram when a cable letter will do as well.
32. Radio messages may be sent to nearly all ocean and lake steamers, making it possible to keep in touch with them at all times.
33. Marine service messages report the sighting and arrival of steamers from foreign ports.
34. Wireless messages and cablegrams must be paid for in advance. Telegrams may be sent collect, but the payment must be guaranteed by the person who is sending the message.
35. Messages must be written in one of the following languages, using Roman characters: Latin, Italian, German, Dutch, Spanish, Portuguese, French, English.
36. Telegraph companies are required by law to send messages exactly as written.
37. If you want to get money quickly from one place to another you can telegraph it.
38. The large express companies will transfer money by telegraph at all points where they have offices.
39. The telegraph companies add the cost of a 15-word message to the transfer rate, while the express companies charge only for a regular code message. Remember this when you want to telegraph money.
40. Remember when telegraphing or cabling that New York time is three hours ahead of San Francisco time and London time five hours ahead of New York time.
41. You can obtain from a telegraph or cable company a table showing the difference in time between the important cities of the world.

STANDARD QUESTIONS

The use of the telephone

1. Is the telephone a luxury or a necessity?
2. About how long has it been in common use?
3. By whom was the telephone invented?
4. Why has its adoption increased so rapidly?
5. What is the chief value of a telephone?
6. What is the longest telephone line in the world?
7. Under what conditions has the telephone supplanted the telegraph?
8. Under what conditions is it better to use the telegraph?
9. Under what conditions would it be advisable to telephone a long distance?
10. What business would be most inconvenienced by discontinuing the telephone?
11. How is time sometimes wasted by using the telephone?
12. Under what conditions would the telautograph be more suitable for interhouse communications?
13. Under what conditions would the dictograph be more satisfactory than the telephone?
14. How many parties are involved in making a telephone call?
15. What are the most essential points to be observed?
16. Why do mistakes frequently occur?
17. What is the commonest cause of mistakes?
18. How far should the lips be held from the mouthpiece?
19. Is it necessary to raise the voice above the ordinary tone?
20. What effect does rapid talking have on the conversation?
21. How do harsh and abrupt tones affect customers?
22. What are the effects of delays in answering calls?
23. What is the best method of introducing yourself?
24. Why should you get the name of the caller?
25. Is it necessary to say "Good-bye"?
26. What is the best method of calling numbers?
27. Why is it important to be brief but not blunt?
28. Why is it necessary to be courteous?
29. What is meant by: "The voice with the smile wins"?
30. How can you recall the operator?
31. What should you do when you get the wrong number?
32. What are the advantages of a party line?
33. What are the advantages of an extension telephone?
34. What are the advantages of a private exchange?
35. What are the advantages of a branch exchange switchboard?
36. What are the advantages of a monitor switchboard?
37. What are emergency calls?
38. How would you telephone in case of fire?
39. How would you call the police?
40. Why do telephone companies have schools for their employees?

41. Do you generally get good service from a telephone company? If so, why? If not, why not?
42. Do you generally get as quick service in a store as you do from a telephone company?
43. Whose fault is it generally when you get the wrong number?
44. What is meant by "long distance"?
45. What is meant by "information"?
46. What is meant by "traffic manager"?
47. How could you tell whether the place to be telephoned is long distance or suburban?
48. What would you do if the telephone should get out of order?
49. What would you do if the person wanted at the telephone was absent? Give your reasons.
50. What are the advantages of a classified telephone directory?

STANDARD QUESTIONS

Telegraph and cable messages

1. Can you mention some of the ways in which the electric telegraph has benefited business?
2. What is the advantage of a day letter over a night letter? A night letter over a regular letter? A telegram over a telephone message? A day message over a night message?
3. What is the difference between a telegram and a cablegram? A cablegram and a marconigram? A night message and a night letter? A day message and a day letter? A regular and a deferred cablegram? A cable letter and a week-end cable letter?
4. Under what conditions would you use the telephone in preference to the telegram? The night letter instead of the night message? The cable letter instead of the cablegram?
5. What business conditions have increased the use of telegrams? Of cablegrams? Of marconigrams?
6. What business finds it a special advantage to use the week-end cable letter? The wireless message?
7. What advantages are there in using a registered cable address?
8. Why is legibility an important factor in writing messages?
9. Are the telegraph companies allowed to alter obvious mistakes in sending a message?
10. If a cablegram is sent in French, will it be delivered in English?
11. What is meant by repeating a message? By decoding a message? By confirming a message?
12. How many copies of a message usually are made? Why?
13. Will the telegraph company guarantee repeated messages?
14. How long does it take to send a cablegram from New York to London?
15. How long does it usually take to get a reply? What causes the delay?
16. Why is the time when a message is delivered of great importance?

17. Why is the difference in time between two places important?
18. How can a message be received at an earlier hour than it was sent?
19. How can a broker buy stock three hours before the market opens?
20. How do express companies transfer money by telegraph?
21. How is time an important element in sending money by telegraph?
22. Why is it important to use care in wording a message?
23. Are punctuation marks included in the message?
24. When are charges made for extra words in the date or address?
25. When are charges made for all of the address and signature?
26. Why do we omit the salutation and complimentary closing in messages?
27. What is the best way to write figures in a telegram or cablegram?
28. Can an American operator send a cablegram in Spanish if he cannot read Spanish? In Greek? In Latin? If so, how? If not, why not?
29. In how many different languages can cablegrams be sent?
30. Must a message be signed in order to be accepted?
31. Will a message be accepted if it contains profane language?
32. Can the person who writes the message change the date or name of the place where it is filed?
33. Can anyone find out the nature of the message you sent by asking the telegraph company?
34. How can you guarantee the delivery of a message in a remote place where there is no telephone?
35. Under what conditions is it advisable to transfer money by telegraph through an express company?
36. Why are government messages given precedence over all others?
37. How are telegraphic messages a protection to the farmer, the fruit grower, the shipper, the lake and ocean vessels?
38. How is it possible to read in the New York morning paper about a big business deal that took place in London at 9 a. m. the same day?
39. Can a man withdraw by telegraph an offer which he sent by mail if he sends the message before the letter is received?
40. Why can telegraph companies afford to transmit deferred messages at such a low price?
41. Why do some firms prefer to deliver their own messages to the company instead of turning them over to a messenger boy?
42. For practice invent a code and write some messages. Each message should be "decoded" or translated by writing the meaning in different colored ink or type underneath the code words.

STANDARD EXERCISES

Differences in time

1. How many degrees of longitude around the earth?
2. How many hours does it take the earth to rotate on its axis?
3. How many degrees in an hour of time?
4. How many degrees in a minute of time?

5. The difference in time between Philadelphia and St. Louis is one hour. If St. Louis is 90° west longitude what is the longitude of Philadelphia?

6. The difference in longitude between Washington and San Francisco is 45° . When it is 9 o'clock in the morning at Washington what is the time at San Francisco?

7. When it is noon at Washington what is the time at Montreal?

8. When it is noon at Washington what is the time at London, England?

9. When it is noon at Washington what is the time at Denver, Colorado?

10. When it is noon in St. Louis what is the time at Seattle, 120° west?

11. When it is noon in St. Louis what is the time at Rome, Italy, 15° east?

12. When it is noon in St. Louis what is the time at Manila, 120° east?

13. Two traveling men met in Minneapolis. One found his watch two hours slow and the other two hours fast. Where might they have started, if their watches had not been changed since they left home?

14. A train left Chicago at 6 o'clock, p. m., and arrived in Denver at 5 o'clock the next evening, Denver time. How long did the trip take?

15. A train leaves St. Louis at 6 p. m., and arrives in New York at 7 p. m., the next day, New York time? How long does it take to make the trip?

16. How can you send a telegram on Tuesday and have it received on Monday?

17. If a New York office closes at 3 o'clock, p. m., when must a telegram be sent from San Francisco to arrive before closing hours?

18. A London office closes at 2 p. m. When would it be necessary for a Chicago man to send a cablegram that would be delivered before closing?

19. A cablegram sent from New York at 9 a. m., was delivered in Paris at 2:30 p. m. How long did it take to transmit and deliver the message?

20. A business deal in Manila requires a certain amount of money to be there July 1. When must the money be sent by cable from Chicago to be available on time?

21. A San Francisco man decides at 3 o'clock in the afternoon to send a telegram of 25 words to a firm in New York. What would be the best kind of message to send and how much would it cost?

22. How much would it cost to transfer \$200 by telegram from New York to San Francisco and when would it reach San Francisco if started at 3 p. m.?

23. How much would it cost to send a week-end letter of 30 words from London to New York and how much time would be gained by a branch house making such a week-end report?

24. How much will it cost to send a code cablegram of 10 words to London from San Francisco via New York if the message must reach London not later than 5 p. m., July 4? If the clocks are moved ahead one hour in England between May 21 and October 1, when must the message leave San Francisco?

25. If the rate of a cable letter from Chicago to Liverpool is 75 cents for the first 12 words and 5 cents for each additional word, how much will a 37-word message cost? How much time will be gained over a regular letter?

CHAPTER VI

WHAT THE FILES ARE FOR

THE files form a vital part in the records of every office. In fact, the success or failure of a transaction or even a business may sometimes depend upon how available the information in the file is. The object of filing letters and papers is not simply to dispose of them—the waste basket could serve that purpose; the object of filing is to make it easy to find the papers or letters when they are wanted, and to find them quickly without any delay whatever.

The essentials of good filing. When we speak of files, our first thought is of letters. In one way, however, all of the records of an office are files, and just as much care must be taken with records of all kinds as with letters. The average business man is not expected to remember the prices quoted, the contracts accepted, or the letters written, if he can depend upon the office files and records to furnish him instantly the information that he desires.

These records may consist of correspondence, miscellaneous information, or financial data. They may be needed to settle a dispute, confirm an opinion, establish a standard, make comparisons, or facilitate business in numerous other ways. A good filing method therefore is one that is adapted to the business, can be depended upon for accuracy, and will produce at once the information wanted.

The value of capable assistants. Two factors go far to determine the degree of success which any method of filing or record-keeping attains. The first factor is of course the method itself, and the second is the character of those who are to operate it. A filing plan which will run itself has not and never will be devised; it is impossible. But intelligent office assistants

go far toward making any plan effective. A capable filing clerk can usually operate a poor system; but a careless clerk will make a failure of the finest system ever installed. Hence it is evident that the greatest efficacy is reached when both method and operators are harmoniously adjusted to the particular needs of the office.

Since the basis for all record-keeping and filing is the method by which the records, papers, letters, and data are arranged, let us first take up the principles which underlie any successful filing plan. With this background we can then go ahead and discuss ways of adapting plans to the requirements of different offices, and the characteristics that are necessary to make filing assistants capable.

Filing equipment. First let's consider the equipment used in filing. The earliest filing devices which we know anything about were the pointed stick, bent wire, or steel spindle. These were followed by the box file shown on page 84, which contained an index of the letters of the alphabet on manila sheets fastened to one side of the box. The papers to be filed were placed between these sheets in alphabetical order. This simple method is still often used where the correspondence would not fill over two or three boxes a year. Its chief attraction perhaps is its cheapness.

Flat files. The box file was followed by the flat file or loose sheet drawer, which was modeled on almost the same principle as the box file, except that a drawer was used, the papers filed flat, and the divisions were further subdivided, allowing for an increase in the quantity of correspondence and other papers to be filed.

Next came the Shannon file, which is probably the most practical type of flat filing. This is used where papers such as unfilled orders must be referred to frequently and are in danger of being lost. These files are fastened to a thin board ready to hang near the desk, or they are made in drawers to fit a cabinet. The steel arch on which the papers are filed alphabetically holds them in place and prevents the loss of important papers. The Shannon file is illustrated on page 84. It is used by many construction companies for filing reports.

Vertical files. The latest improvement is the vertical file, which affords an effective method for filing correspondence and for preserving all forms of office records. The equipment of any vertical filing system consists of:

1. Standard or special sized drawers made of wood or metal, with "follower blocks" to hold the guides and folders in an upright position.
2. Manila or pressboard guides, in sizes to fit the drawers, with projecting tabs at the upper edges of the guides; these tabs bear the index letters or numbers or other designation.
3. Manila folders placed one or more in back of each guide; the letters and papers to be filed are placed in these folders.

A vertical file is shown on page 84.

Card-index equipment. The equipment of a card index consists of:

1. A cabinet with as many drawers as required.
2. Guides, the same size as the cards, indexed or blank, colored or white, according to the method used.
3. Record cards, with printing, ruling, color, and size to suit.

The drawers usually have stops on the back, which help to prevent them from being pulled out carelessly and dropped. The stops may be so arranged that they can be removed by tilting the front slightly. Card-index drawers should not be furnished with suspension slides. Experience has shown that rods for holding the cards in place are not needed except when the equipment is to be handled by the general public, or in card ledgers where the responsibility of keeping the records in their proper place depends on one person.

We shall see how the card index is used in connection with the numerical system of correspondence filing, the "follow up," and the "tickler." The card index, which is a method for keeping compiled information filed on a card where it can be found instantly, permits an extension of these principles to the filing of other office records and business papers. It is well adapted to the preserving of such office records as subscription lists, salesmen's and prospect cards, quotations given or received, catalog indexes, stock records, instalment collections, and factory costs, as well as other records which will be described later in connection with the handling of departmental records, data, and correspondence.

How to make filing easy. If we keep in mind that filing is simply arranging letters or papers so that they can be found quickly, we shall find the study and preparation of filing systems to be comparatively simple.

Suppose we take a letter from Robert Bowen. This letter has been answered, and with the copy of the answer attached to it, is ready to be filed. Where shall we file it?

The very first question we ask ourselves is: "When we want to find this letter again, what would we naturally look for first?" Why, "Robert Bowen," of course. So, if we file the letter under Robert Bowen we will feel pretty sure of finding it again. This kind of file is called a name file. That is, all the letters are put away under the names of the writers of those letters.

But suppose we have 20 or 30 letters from as many different people, or suppose we have 100 different letters from 100 different people. We would of course file the letters by name, and look for them by name. But if our names were not arranged in some order, wouldn't it take us rather a long time to find Robert Bowen's letter, if we had to go through all the other letters before we came to it?

The alphabetical method of filing. Evidently we must arrange those names in some order that will make it easy to locate any desired name quickly. The first thing we think of is to arrange the names alphabetically—that is, place all names beginning with A under "A," all beginning with B under "B," and so on. Now if we want to find Robert Bowen's letter we simply look under "B" first, and if we were careful in filing the letter, we will find it quickly. This method of filing by letter is called the alphabetical method.

The most generally employed and the best understood method of indexing files consists of a set of 26 guides and folders arranged alphabetically, one for each letter of the alphabet. Or, if the correspondence is small, one vertical file drawer and 20 guides and folders usually are sufficient. As the correspondence increases, 40, 75 or many more guides may be arranged in one index.

Another method of filing is by states, called the geographical method. In preparing geographical guides with indexing it is

C. W. MILLER, Pres.

A. F. BROWN, Vice-Pres.

E. G. CARTWRIGHT, Sec'y and Treas.

MILLER, BROWN & CARTWRIGHT

DEALERS IN COAL, COKE, ICE AND WOOD
57 S. MAIN STREET

Phone, 123 Jarvis

Greenville, Ill., February 15, 1918

Jersey Coal Co.,
762 Murdock St.,
Pittsburgh, Pa.

Gentlemen:

Our order for two carloads of egg coal has not been received. We were to have been delivered to us on the first of February so you will see we have now been delayed over two weeks. Please see that this is shipped at once.

Also send us prices for May delivery on three carloads of chestnut coal.

Please see that our complaint, as told you above, is attended to at once for we need the coal for customers. Do not delay on sending us the price for May chestnut for we are ready to take orders now.

Yours very truly,

CMW
MILLER, BROWN & CARTWRIGHT

CWM:MS

2131



FIGURE 23: Filing is really quite simple if you use a little care. With a diagram like this, the four different methods of filing are clearly explained. Take each word that is encircled and follow the line leading from it. Of course, not many letters would need to be so thoroughly cross-indexed as this one.



FIGURE 24: The box file was one of the first filing systems in existence; it is still used to a limited extent.

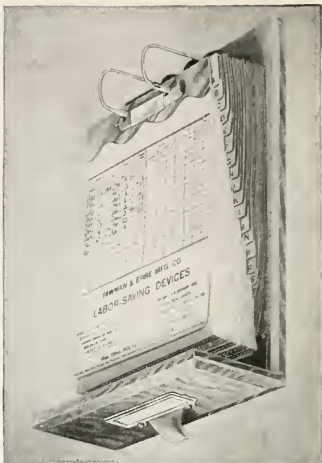


FIGURE 25: The Shannon file holds the sheets firmly but loosely by the clasps through the holes.



FIGURE 26: Filing on edge is the modern way of filing. The vertical file shown here is a geographical file.

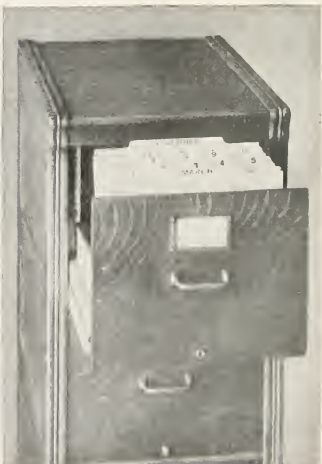


FIGURE 27: Here is a typical follow-up file. It's sometimes called the memory file. Can you guess why?

possible to start in a small way with just as many states as are needed. As the business increases, other states are added and sub-indexes placed in those states where correspondence warrants it. Index guides for the names of towns can be inserted and alphabetical guides placed behind the town guides. This plan permits the unlimited growth of a filing system without destroying the old guides as in straight alphabetical filing.

In the numerical method a number is used on the index guides, and the decimal plan of notation is usually followed. A separate card index is also required, in which the names are arranged alphabetically.

It is sometimes claimed that where the number of letters to be filed is very large the alphabetical system is not practical because it requires so many subdivisions of the alphabet. It is possible to secure alphabetical subdivisions with several thousand guides if necessary; and important letters like "S" would contain several hundred subdivisions with the letters carried sometimes to six or seven places in such names as Schmitt and Schmitz. It is obvious that with an index as large as this mistakes will occur unless the clerk is extremely accurate in reading the index and placing the letter where it belongs.

Although the alphabetical method is perhaps the simplest method of filing and indexing, still it is not always the best. And yet it is almost always used more or less in connection with some of the other methods we shall now proceed to study.

The geographical method of filing. Where the correspondence comes from widely scattered sources, or where the place is of more importance than the person's name, a geographical method of filing is sometimes preferable. This might be true in handling the correspondence of the sales department, where the territory is divided into districts or agencies. These files are usually arranged according to states, in alphabetical order; under each state the towns in that state are also arranged in alphabetical order.

If there is not enough correspondence to justify the use of town guides in certain states, there may be only the state guide and an "A B C index." In this A B C index the letters are filed according to name, as in the straight alphabetical system.

Of course if the correspondence does not come from many states and towns, the state guides may be dispensed with, and only town guides used, arranged alphabetically. Under each town is the A B C index.

In each case sub-guides may be added as the business increases, and when the correspondence of any locality or individual warrants it, special folders may be inserted. It might be necessary to remember the name of the town or state in order to find certain correspondence, or the letters from different towns by the same individual might be filed in separate folders. On the other hand, the name of the individual or the names of firms might be forgotten more easily than the town from which he or they wrote, and the quickest way to locate them would be by the town or state.

Filing by number. When vertical filing was first introduced, the numerical method was commonly employed; hence it came to be generally understood that the numerical method was always used with the vertical file; but it is now generally conceded that the numerical method should not be installed unless the alphabetical or geographical will not answer.

Another mistaken idea in regard to the numerical plan was that it was an advantage to use it when the volume of correspondence was large. If it is a disadvantage to use the alphabetical or geographical method in a large business, it would be a double disadvantage to use the numerical, on account of the greater expense in filing and the possible loss of time in finding correspondence.

The real advantage, then, gained by the use of the numerical system, is when cross references are necessary, or when papers or books must be referred to under more than one heading. In many offices, such as law firms, it has been found an advantage for each customer to be given a number and all papers and files pertaining to that case filed under that number.

Nearly all libraries are indexed numerically, because reference must be made to the book by name, by author, or by subject matter. The majority of them are cataloged under what is known as the "Dewey Decimal System." A modified form of the decimal method is applied in classifying some

numerical indexes. There would seem to be so many possibilities for errors, however, that only an expert should attempt to install such a method.

In the ordinary numerical filing the guides are generally numbered in 10's or 20's. When mail from a new correspondent comes in, he is assigned the next consecutive number. His name, address, and number are written on a card which is filed alphabetically in a card-index drawer. The letter to be filed is marked in the upper right-hand corner with the number assigned to that correspondent and is filed in a manila folder bearing the same number. The folder is filed numerically behind the proper guide. When a letter comes in from a regular correspondent, the card index is consulted to find the number.

Filing by date. Suppose we want to write to Robert Bowen about two weeks after our last letter, especially if he hasn't sent us a reply. If we had a chronological file, in which the guides are arranged by months and days instead of by letters, numbers, or towns, we could file Robert Bowen's letter two weeks ahead, and on the day set, go to the file, and take out his letter. This kind of file is often called a "follow-up file," and if properly used is very convenient.

Every business firm employs some plan for following up delinquent correspondents. It may be for the purpose of converting a prospect into a customer, or for collecting a past due account, or for circularizing a mailing list. In each instance it is impossible to depend absolutely upon the memory; so a method of filing is devised for calling attention automatically to the particular date when the next letter is to be sent.

A special drawer of the filing cabinet may be used for this purpose, or the correspondence may be filed in the usual way and a follow-up card made out which contains a record of all the transactions. By means of 31 daily and 12 monthly guides, any material which needs consideration may be filed under a certain date and automatically come up for attention at the correct time. A central "tickler" file for all the employees of an office who have follow ups has sometimes been found to save time and to be practical for bringing matters to the attention of the right person on time.

Finding letters in the follow up. Right here one point about follow-up or chronological files which is sure to come up might well be considered. After Robert Bowen's letter has been placed in the follow-up file, we do not expect to see it again until the time set for our further attention to it. But if Robert Bowen should write us before that day arrives, we should want to get the letter that we placed in the follow-up file. Unless we remembered the follow-up date, the only way we could find the letter would be by going through the entire follow-up file. A number of interesting methods are used in different offices to obviate this.

One office manager has the stenographers make an extra carbon copy of every letter they write. This extra copy is then placed in the follow-up file, and the rest of the correspondence goes to the regular files. When the carbon copy comes up on the day set for the follow up, if the matter has been attended to, the extra carbon copy is destroyed. If, however, no answer has been received, or the matter has not been attended to, then the rest of the correspondence is obtained from the regular file and the proper steps taken.

This method insures the complete correspondence being in the files and available at all times. There is no delay caused by looking through the follow-up file for a letter that hasn't come up on the date marked.

Another convenient plan that is used in one office is to file the letter alphabetically or numerically and the carbon copy chronologically. This is done by placing the follow-up date on the letter and also on the carbon copy. The original letter is filed as usual in the regular correspondence files, and the carbon copy bearing any necessary notations is filed in the follow-up file under the date when the next letter is to be sent. If it is necessary to refer to the original letter, it will be found in the regular file. Should a reply be received before the follow-up date, which we will suppose is March 23, the letter is referred to and is found with "March 23" marked on the upper right-hand corner, which means that the answer to the last letter will be found under the guide "March 23" in the chronological file. The follow-up date may then be changed, or the correspondence handled in the usual manner.

Another plan that is used does not require the extra carbon copy; neither is a letter-size filing cabinet required. And where filing space is at a premium, this plan has advantages over the extra-carbon method. A 3 x 5 index card is made out giving the name, address, date, subject, and where the letter is filed.

This card is filed chronologically behind the guide in the card index showing the month and the day when it is next to receive attention. The letter and carbon copy are filed in the regular files after marking on them the follow-up date, so that if an answer is received before that date the letter can be answered in the usual manner and the follow-up card removed or set ahead to a new date.

If the original letters are filed numerically, the regular card index may also be used as a "tickler" by simply using cards with the days of the month printed at the top of each card. Metal clips placed over any particular date will be in a straight row and make it easy to locate any desired card. This makes a double filing, since the cards are filed alphabetically and the follow-up date chronologically, and is therefore more expensive.

What topical filing is. Topical filing, or filing by subject, also requires the use of card indexes. Such a method is generally used only where the subject matter of the letters is of great importance, and the fact that a letter comes from a particular concern is relatively unimportant.

Often several cards must be made out for each letter in order to index it thoroughly, and this, of course, adds to the cost. Further, a thoroughly competent person must do the indexing or it is almost valueless.

One big difficulty in subject indexing is the fact that no two persons are likely to hit on the same word or phrase to index a paragraph; and at different times the same person might select different phrases. Thus reference becomes rather uncertain unless enough index cards are made out so as to leave little doubt that one of them will be chosen when the matter is referred to later.

On account of this tendency to refer to the same subject by different names, topical filing should not ordinarily be employed unless the subjects are well determined and a natural reference

established. In spite of these considerations, subject filing is the only method that fits the requirements of some concerns. Architects, street railways, or county offices, for example, might naturally and profitably use filing by subjects.

The alphabetical-numerical method of filing. It is possible to combine some of the best features of the alphabetical and numerical methods by numbering the alphabetical guides. Then the clerk can find the correspondence by the alphabetical method, which is direct and accurate, and can file them by number, a safe and rapid way.

A comparison of different filing methods. The alphabetical method seems the most natural because we are all perhaps more accustomed to the dictionary arrangement and grouping of words. It is therefore probably the best understood, and should perhaps be generally used before attempting some more complex method, unless there are apparent advantages to be gained by the adoption of such a method.

It should be remembered that both the alphabetical and geographical methods are direct filing methods and do not ordinarily require the double indexing which is necessary in the numerical method. Preparing an extra card index is not only an additional expense, but it may require more time to locate a letter than under the direct plan. In both the numerical and geographical methods the files are enlarged by simply inserting additional index guides, while with the alphabetical method some of the guides must be discarded and an entirely new set must be substituted in order to take care of the increased correspondence.

One point in connection with the numerical method which is generally regarded as a hindrance is that it requires a separate card reference index to make it workable. On the other hand, it should be understood that the card contains useful information which may make it of greater value than its cost of production. The addressing machine can sometimes be used in making out the cards, and the same cards may be employed in following up business.

It cannot easily be claimed that any one filing plan is better than any other, since every business must of course select the

FROM JUN 2 R.N.B. CORRESPONDENCE DEPARTMENT		
LIST DEPT.	<i>account No. 52397 B</i>	
	JUN 2 L.P.M.	
PLATE DEPT.	<i>Carl A Klemm</i> 9 20 204 Paul Jones Bldg Louisville Ky 52397B	
	JUN 2 F.J.	
ORDER JUN 2 B.A.T.	CORRESPONDENCE FILES	SHIPPING RECEIPT

FIGURE 28: In one office the correspondents use requisition blanks for getting information from other departments. The date and the correspondent's initials are stamped at the top and a check placed against the department from which the information is wanted. That department writes or attaches the information.

method best suited to its particular purposes. It is evident that some methods which are best for certain lines of work would be impossible in other offices. Whatever the method used, an intelligent employee must be depended upon to make its application a success.

Removing letters from the files. Correspondence should never be removed from the files without making some record to show when the paper was taken out and who is using it. Some concerns refuse to allow the removal of any correspondence unless a properly signed requisition is furnished. Others insist that material is to be kept from the files no longer than 48 hours, unless the requisition is renewed. The head filing clerk is the only one who is allowed to remove papers, and he is therefore held responsible for their safe return.

One concern uses this method for telling what correspondence is missing from the files: When papers that have been filed are required for reference, the requisitioner fills out a blank like that shown on page 92. This "out" sheet—as it is called—is just about 10 inches high. It is placed upright in the folder from which papers have been taken, and the word "out" shows prominently above the edge of the folder.

Thus it is possible, simply by glancing through a drawer, to tell where papers have been removed. The filing clerks every so often check through the drawers for which they are responsible. Should any correspondence be held for some time, apparently without reason, a note to that effect is sent to the requisitioner. When finally the papers are returned, they replace the "out" sheet, which is destroyed.

Another concern has the filing clerk pin a colored slip to every paper that leaves the files, bearing the following notice:

This correspondence is charged to your department and must be returned to the files promptly.

Under no circumstances are these papers to be transferred to any other department except through the file room.

Transferring the correspondence. When it is necessary to make room for later and more important papers the older correspondence is transferred. The only object in keeping correspondence after it has been transferred is to have available

important letters which may be called for or needed as evidence in lawsuits. It is evident, therefore, that some letters and papers, from their very nature, are not of sufficient importance to be kept. They may therefore be destroyed at any time.

There is a slight disadvantage in removing all the correspondence at one time, since some is of greater importance than others, and there is no time when it will not be necessary to refer to some of the recent mail. When the mail is filed, it simplifies matters to indicate the date for "killing" or transferring, or the less important matter may be filed in different colored folders and all of that color transferred at a fixed date. Some concerns prefer to arrange the two upper rows of their cabinets for six months' correspondence and transfer to the two lower rows at the close of that period. In another six months the upper rows are cleared and the lower rows stored in less expensive cabinets.

How long to keep letters. Differing conditions change the length of time it is necessary to keep letters in different offices. One fairly large concern, for example, keeps letters in the current files for only six months, and then places them in the "transfer files." The transfer files are similar to the current files, and are perfectly accessible, only not so conveniently located in the filing department as the current cabinets. Papers remain in the transfer cabinets until they are from one to six years old, according to the requirements of the business. They may then be removed to a warehouse of the company, where space is not so valuable as in the office, or they may be destroyed then and there.

The filing assistants. The first essential, if you wish to become a filing expert, is a good memory, keen sight, and skill in reading names and numbers. Skill must also be attained in arranging names in exact alphabetical order. Then comes the ability to tell at a glance which name corresponds to the index and finally, with accuracy, to place the paper in the division where it belongs.

These essentials can be acquired through persistent practice and training for accuracy, which will be of service in any kind of work. Begin by reading at a glance numbers containing

six or more figures and then try to reproduce them orally from memory. Write the figures in their exact order. You might be asked to get from the file, numbers 346529 and 24638. Could you do it without writing down the numbers? Where the numerical system of filing is used there are many large concerns which use numbers running over six figures.

You should also train yourself to read quickly groups of words, names, and firm names, arranging them in alphabetical order as read. Study the dictionary and directories for the purpose of understanding the exact dictionary arrangement so that you can carry out the alphabetizing of words to the last letter of a word, if necessary. Practice writing names and firms in the proper arrangement for filing and always observe the key which will be used on the index. Then file the papers in the divisions where they belong and remember that 100% accuracy is required. If you become an expert filing clerk you may reasonably expect to be called upon to manage some filing department where efficiency is desired and rewarded.

FILING STANDARDS

The technique of filing

1. Filing is putting papers safely away where they may be found quickly when wanted.
2. The filing method must be suitable for the business.
3. The filing clerk must thoroughly understand the method.
4. The filing must be done with the greatest accuracy.
5. Remember, you might as well throw the paper out of the window as to file it in the wrong place.
6. Filing clerks must be quick and accurate in reading names.
7. Clerks should have good memories for names and numbers.
8. Carbon copies of the answers should be fastened to the letters; pasting is easy and commonly used.
9. The papers are to be placed in the folder back of the guide index.
10. The latest papers are always placed in the front of the folder.
11. Letters should be filed with the top of the sheet toward the left.
12. Letters should not protrude from the ends of folders: the files should always look neat.
13. Never remove papers from the files without making some note of the papers that are removed.
14. An "out" card shows at a glance what letters are missing.
15. When letters are filed under the names of the company, they are filed under the first word, disregarding the word "The."

16. When letters are filed under the name of the writer, they are filed under his surname.

17. When the surnames are the same, the given names determine the position.

18. If the surname and the given name are the same, the address determines the position.

19. If the words are the same, the qualifying adjective determines the position.

20. When the word "The" is the beginning of the firm name, it is not considered in alphabetizing.

21. When "and" is a part of the firm name, it is not usually considered in filing.

22. Names beginning with Mac or Mc usually precede all other names beginning with M.

23. Letters signed by an individual member of a firm should be filed under the firm name, unless you are instructed otherwise.

24. When several letters are received from one firm, they may be placed together in one folder.

25. All letters from one firm should be put in the same folder, even if signed differently.

26. Flat filing means that the papers lie perfectly flat in the drawer.

27. The spindle is the oldest and simplest form of flat file.

28. The box file is the cheapest method of flat filing still in use.

29. The Shannon file is perhaps the most common flat file method still in use, where important papers are filed independently.

30. In vertical filing, the papers stand on edge in the drawer.

31. Vertical filing is the most practical and the most commonly employed in correspondence filing.

32. Papers, letters, cards, and in fact, nearly every kind of record, are filed by names, localities, subjects and numbers.

33. The alphabetical method is the most commonly used system of filing.

34. Alphabetical filing should be employed when the name is the point most commonly used or remembered.

35. Geographical filing is successfully employed in sales departments or when the location is more important than the name.

36. Numerical filing is employed where reference must be made to the paper under more than one heading.

37. The numerical file with the card index is accurate and practical when cross reference is necessary.

38. A combination numerical-alphabetical method combines some of the rapidity and accuracy of both methods.

39. The chronological file consists of 12 monthly guides and 31 daily guides, with folders.

40. Chronological filing is used in follow-up methods.

41. A follow-up file insures matters being brought up for attention at the proper time in the future.

42. The card index may be used in follow-up service by using twelve guide cards, one for each month.

43. Topical or subject filing may be employed when it is an advantage to have all the papers on any one subject together.

44. Correspondence not often referred to is transferred every six months or once a year to the transfer files.

45. Important letters may be filed in manila folders when they are to be preserved a long time.

46. Unimportant letters may be filed in green folders and marked when they may be "killed" or refiled.

STANDARD QUESTIONS

The technique of filing

1. What purposes are served in any filing method?
2. What are the elements of a good filing method?
3. Why should not all firms have the same method?
4. Why should a head filing clerk be held responsible?
5. What are the four general methods of filing?
6. What groups of office records are filed?
7. What is a cabinet, a guide, an index, a folder?
8. What methods of filing are commonly used?
9. What was the earliest method of filing used?
10. What is probably the cheapest method now employed?
11. What method is most generally understood? Why?
12. What method is most commonly used in small businesses?
13. What method is now most generally employed?
14. Which method of filing is best for a sales agency manager? Why?
15. Which method of filing uses the card index?
16. Which method of filing is best for an author?
17. Which method of filing is best for a library?
18. Which method of filing do you consider the safest?
19. In which method of filing are mistakes most likely to occur? Why?
20. Which method is considered the most accurate? Why?
21. Which method would be suitable for a large railroad corporation?
22. What is meant by a follow-up method?
23. What is meant by the alphabetical method of filing?
24. What is meant by the geographical method?
25. What is meant by topical filing?
26. What is meant by the numerical method?
27. What is meant by the decimal method of indexing?
28. What is the object of the alphabetical-numerical method?
29. What is meant by the chronological method?
30. What is meant by transferring the correspondence?
31. When the day arrives on which a letter is marked to be "killed," is it sent to the dead-letter office?

32. What is meant by the "desk tickler"?
33. What is the "tickler" supposed to tickle?
34. When should an "out" guide be used in correspondence filing?
35. How may the card index employed in a numerical method be used in follow-up work?
36. Mention other practical ways in which the card index is employed?
37. Which should come first in the files, the C. & E. I. Ry., or the C. & N. W. Ry.? Why?
38. Under what name would you file the Stanley Morton Co.?
39. Which would be filed first, Clarence Brown, of St. Louis, or Clarence Brown, of Minneapolis.
40. In which order would you file: Brown Bros., Chicago; Brown, Barrett and Co.; Brown and Carter; James R. Brown; James J. Brown; William G. Brown; Brown and Barrett; Brown and Co.; Brown Bros., New York?
41. What filing method would best suit a contractor?
42. What filing method would best suit a lawyer?
43. What filing method would best suit a city government office?
44. What filing method would best suit a newspaper?
45. What filing method would best suit a follow-up method?
46. What filing method would best suit a purchasing agent?
47. What filing method would best suit a state government office?
48. Name some points which might decide the value of a filing method for any special business?
49. What may a geographical method of filing show about the business?
50. Contrast the different filing methods as to simplicity, ease of filing, safety, and expense.

CHAPTER VII

THE PURCHASING DEPARTMENT

WHEN we want a bottle of ink or some paper to write on, we drop in at the stationery store on our way home and buy what we want, paying perhaps 10 cents for the ink, and 25 or 50 cents for the paper. The man who does all this for a business house is called the purchasing agent. He may spend only a small part of his time if he is buying for a small business, or he may have a large staff of assistants, if he is employed by one of the large corporations.

The object of the purchasing department. Whatever the size of the business, the object of the purchasing department is the same:

1. To buy all material that is needed by the business
2. To buy material of the required quality
3. To buy it at a reasonable price
4. To see that deliveries are made in due season

It is obvious that where all the buying is done through one man or one department, lower prices may usually be obtained because of large purchases, closer uniformity of material assured, and the schedule of deliveries checked up more exactly than where each department makes its own purchases.

Purchase requisitions. The purchasing agent buys all material; this material may be raw material, such as leather for the factory; equipment for either the factory or the office; manufactured goods ready to sell; or supplies for the whole concern. He receives requests for materials and supplies from all departments of the company; these requests are called requisitions, and it is from these requisitions that the purchasing agent finds out just what material is wanted and how much he is to buy.

A form of requisition used by one concern is shown on page 101. This requisition is also his authority for buying the material wanted. It must therefore be signed by the manager, as well as by the person ordering the material.

Usually two copies are made of this requisition. Just how many copies should be made depends on the requirements of the concern. The purchasing agent must have one, of course. Then if the person making out the requisition keeps a copy, he will know just what he ordered, and when the material comes in can use his copy to check the accuracy of the count.

In some concerns both copies go to the buyer, who notes on the duplicate when delivery may be expected, and returns it to the requisitioner; the copy also acts as an acknowledgment from the purchasing department that the original requisition has been received.

As soon as the purchasing agent gets the requisition which has been approved by the manager or the comptroller, his next step is to buy the goods requisitioned. He may know just where to get exactly what is ordered, or he may have to make a search for it.

Watching the market. Right here comes an important part of the work of the purchasing department—keeping tab on the market conditions, as to both prices and supply. When there is a plentiful supply, prices are usually favorable, and purchases should be made at such times, if possible. Of course it isn't always possible to know ahead of time just what will be required, and how much; but a carefully planned set of records will help to eliminate mistakes and uncertainty.

Classified information for the buyer. Every purchasing agent has occasion from time to time to refer to his record of invoices from concerns with whom his house has previously dealt. A card is made out for every kind of article purchased, giving the name of the firm and a complete record of prices, discounts, and allowances, together with pertinent remarks as to service, quality, and other matters of interest. He also finds it useful to maintain a price file, showing quotations received on the material his concern uses or is likely to use, with details as to prices, terms, and delivery.

No. _____	PURCHASE REQUISITION	Date _____
Purchasing Agent		Wanted _____
Please furnish _____ Department with the following:		
(State quantities, sizes, approximate prices if known, and sufficient description of the articles desired so as to identify exactly what is wanted.)		
		Requisitioner _____
The requisitioner must not write below this line		Department head _____
Ordered from _____		Date _____
Order No. _____		
Delivery expected _____		Approved _____

FIGURE 31: A request like this is sent to the purchasing agent when material is to be purchased. In the blank space the requisitioner describes the material wanted, signs his name, and then sends it to the department head for his O. K.

No. _____	ACKNOWLEDGEMENT OF REQUISITION	Date _____
		Wanted _____
Your requisition for _____ Department for the following received		
<div style="text-align: right; margin-right: 50px;"> Requisitioner _____ Department head _____ </div>		
Ordered from _____		
Order No. _____		
Delivery expected _____		

FIGURE 32: This acknowledgment of requisition is simply a carbon copy of the requisition itself. The purchasing agent sends it back to the requisitioner as an indication that he has received the requisition. Then the requisitioner holds it.

Boston, Massachusetts

Specifications of printed matter submitted for price quotation to

Gentlemen:

Please give us an immediate quotation upon the following printed matter, the specifications for which are here given:

Description	
Quantity	
Number of pages	
Trimmed size body	
Cover size	
Stock, body, size, quality, and weight	If the stock is furnished by us, it will be of satisfactory working quality, in the sizes you direct
Stock cover	
Inks, body	
Inks, cover	
Number of pages of composition in the body	
Composition on the cover	
Binding	
Number of illustrations	
Size of illustrations	
Number of illustrations to the page	
Delivery of the copy and cuts to you	
Proofs	
Delivery	Say when, provided the cuts and copy are delivered to you as stated above
Special	
Remarks	
Please Note	Fill in spaces left blank for that purpose, then sign below and return to MARSHALL & SONS Boston, Massachusetts, addressing envelope "For the attention of the _____ department."

Respectfully submitted.

Accepted:

 (Name of your company)
 By _____

 By _____

FIGURE 33: Here is a specification blank such as described on page 103. This one happens to be for printed matter, but the same idea is used for "shoes or ships or sealing wax." These specification sheets are sent to concerns handling the goods wanted; and the one who gives the best quotation gets the order.

In addition to the "record of prices" and the "record of quotations" the purchasing agent must be able readily to find catalogs, price lists, and other circulars received from different supply houses. These are usually filed by a numerical plan. Two or more cards are made out for each catalog, one showing the firm name and the other the article listed.

The information on these cards should be as complete as possible, giving the names of the firms with the catalog and price list numbers, and showing all the reputable sources of supply. On page 106 are shown cards like those used by purchasing agents for watching prices and market conditions.

Sources of information. In addition to catalogs, the purchasing agent also studies the trade papers, and often is able to pick up valuable news affecting market prices and conditions. For instance, he may learn that because of some happening in the locality where material the firm uses is produced, that particular material is going to be very scarce, and that by buying now instead of waiting till later, he may be able to get very favorable prices. He may not have any orders to buy this material, but by inquiring of his manager whether or not some more of that material will be wanted before long, he can learn if it is wise to buy it now and save money, at the same time making sure of the supply. A good instance of this was seen in the fall of 1917, when a number of far-sighted purchasing agents saw a coming shortage of coal, and laid in heavy reserve stocks. Statistics clearly showed the shortage.

It is also important for the purchasing agent to be familiar with the terms of a contract, the value of warranties, the liabilities of common carriers, and to know under what circumstances orders may be recalled.

Getting estimates or quotations. It may happen, and often does, that there are available no recent prices of the material to be bought, and it becomes necessary to get "quotations" or estimates from reliable firms. Where several firms are asked to "bid," as it is called, a specification blank like that shown on page 102 is mailed. When the bids are received from those concerns interested in getting the order, the buyer decides where he shall place the order, keeping in mind the three require-

ments of quality, price, and delivery. Some concerns manufacturing a very high grade of goods ask correspondingly high prices, while others, who make good grades at low or reasonable prices, may be handicapped in delivering on time; a third concern may be able to make quick deliveries, and the price may be right, but the goods are not up to standard quality; hence the buyer must watch all three factors.

What becomes of purchase orders. As many copies of the purchasing order are made as are necessary. The original is sent to the firm from which the purchase is made. A second copy is sent to the receiving department, so that the shipment can be checked when received. Some firms omit the number of articles by using a short carbon on this second sheet; this is to make it necessary for the receiving clerk to count carefully every article to determine whether the correct amount has been received. The third copy remains in the purchasing department and is filed with the unfilled orders. Some concerns make a fourth copy, which may be used for follow-up purposes in special cases.

When the goods have arrived at the receiving department, and have been counted, the second sheet is returned to the purchasing department, is checked and attached to the invoice, and sent to the account department for record and payment. The third copy is now removed from the unfilled orders and filed with the filled orders. The illustration on page 105 shows the purchase order forms used by one concern.

Unless goods ordered are received by the time they are needed, important work may be held up for lack of the material ordered. One purchasing agent uses a simple follow up for checking deliveries promised for certain dates.

One buyer's follow up. He uses a sheet about $8\frac{1}{2} \times 11$ inches, ruled with 31 columns like that shown on page 106. At the top, these represent the days of the month. In the wider column at the left of the sheet is written the name of the supply house, and a brief summary of the goods ordered, together with the date ordered. A pencil check mark (\checkmark) is then made in the column under the date when delivery is to be expected.

Date	<div style="text-align: center;">Accounting Department</div> <div style="text-align: center;">L. Williams & Sons,</div> <div style="display: flex; justify-content: space-between; border-top: 1px solid black; margin-top: 5px;"> Freight Date rec'd. </div> <div style="display: flex; justify-content: space-between; border-top: 1px solid black; margin-top: 5px;"> No. O.K'd by </div>
------	---

Date	<div style="text-align: center;">Receiving Department</div> <div style="text-align: center;">L. Williams & Sons,</div> <div style="display: flex; justify-content: space-between; border-top: 1px solid black; margin-top: 5px;"> Freight Date rec'd. </div> <div style="display: flex; justify-content: space-between; border-top: 1px solid black; margin-top: 5px;"> No. O.K'd by </div>
------	--

Date	<div style="text-align: center;">L. Williams & Sons,</div> <div style="text-align: center;">New London, Conn.</div>
<p style="text-align: center;">Please furnish' us the following material at once:</p> <div style="height: 100px; border: 1px solid black; margin: 10px 0;"></div>	
<p>Ship via _____</p>	
<p>Place this number on your invoice</p> <p>Our requisition No. 438</p> <p>Terms _____</p> <p>Distribution _____</p>	<div style="text-align: center;">L. Williams & Sons,</div> <div style="text-align: center;">By _____</div>
<p>.....</p> <p>Separate at this line and return to us.</p>	
<h2 style="margin: 0;">Acknowledgment of Order</h2>	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>L. Williams & Sons,</p> <p>New London, Conn.</p> </div> <div style="width: 35%; text-align: right;"> <p>_____ 191__</p> </div> </div>	
<p>We acknowledge receipt of your order No. <u>438</u> and will ship as follows:</p> <div style="border: 1px solid black; height: 40px; margin-top: 10px;"></div>	

FIGURE 34: Here are the purchase orders described on page 104. The one in front is the original order. The concern from which the goods are ordered tears off the lower half, fills it out, and returns it to the purchasing agent. This tells the purchasing agent when and by what route to expect the shipment.

[illegible]

FIGURE 35: Purchasing agents must keep some kind of records of quotations and a card like this helps. The buyer has his quotations where he can get at them and he does not have to get new prices whenever he wants to buy something.

[illegible]

FIGURE 36: A follow up like this helps the purchasing agent keep track of purchases. In the first three columns he enters the details of each order and checks the date when delivery is due. If not received on time he finds out why.

How the follow up works. Orders are then followed up in this fashion: from two to five days before the date set for delivery the purchasing agent or his assistant calls up the supply house and asks what progress is being made on the order. The reply will fall into one of three classes; thus:

1. Delivery will be made on time
2. Delivery will be made at a later date than originally agreed
3. Can't tell when delivery will be made

If the supply house says the order will be delivered at or before the time agreed upon, then no mark is made on the follow-up sheet. But if delivery is going to be late, a red check mark is placed against the new date; each time the date is postponed a new red check is made against the new date. When delivery is finally made, a blue check mark is made on the date of delivery. This shows that the order has been completed, and no further follow up is necessary.

The red check mark serves a double purpose—it not only shows that deliveries are late, but it also shows which firms do not make deliveries when promised. This information may be valuable when placing orders in which prompt deliveries are an important factor.

Every morning the follow-up sheet is checked with the shipments received during the previous day, a list of which the receiving clerk sends to the purchasing department every night.

The receiving clerk, who is often the stockkeeper as well as shipping clerk, is expected to receive the goods delivered, and count and check them carefully against his duplicate copy of the purchase order. If no errors are found, the goods are turned over to the storekeeper and the purchase order sent to the purchasing department, where it is filed with the filled orders. In case errors or damaged goods are found, the mistakes are followed up until all corrections have been made and the transaction is definitely closed.

Some material may be received for which the receiving clerk has no duplicate order. This, like everything which comes in, should be counted, checked, and recorded so that an exact inventory of the stock will be on hand at all times.

Where the stores are kept. The store room, where the stores, stock, supplies, merchandise on hand, raw material, or whatever name may be applied to the material kept there serves two purposes, which are of nearly equal importance. The stores must be safe from fire or theft, and they must be accessible when wanted. These two purposes should be served, whether the stores are kept in a small closet, or in a 10-story building, called a warehouse; whether they are kept in tanks, like oil, or whether they are spread out over acres of ground, like a lumber yard.

Safety from fire and theft. In some instances fireproof vaults are required for safety; in others metal shelving or bins or containers will serve the purpose. For our purposes, however, we will consider that the stores are kept in one or two rooms, adjacent to the shipping department, and that metal bins and shelving like those shown on page 109 are used to hold the material.

Accessibility of materials. Unless stores are easy to get at when wanted, time will be wasted in filling orders. Here again there enters the same consideration we learned when we studied filing. We decided then that the object of filing papers is to be able to find them again quickly.

In considering where to file any letter or paper, we first ask ourselves "Where will we look for this paper when we want it?" Likewise in a storeroom we must ask ourselves this question: "When we want this material, where is the most likely place to find it?" and also: "Is it convenient to get at when we want it?"

Immediately there occurs to us the thought that the material that is called for oftenest should be placed nearest the counter so as to save steps; and that very heavy material should be stored near the floor, so as to require little lifting. As soon as we have decided where material is to be put, then we ought to label each bin and shelf and thus tag everything in a bin or on a shelf, so that when the stock clerk is away the manager or any authorized individual, can find material needed in an emergency. On page 109 is shown the way one concern tags its stock bins.

○

BIN TICKET

Bin No. _____

Location _____

Material _____

Size and weight _____

Finish _____

Send this ticket to office when only _____ remain in bin, and replace it with temporary ticket.

FIGURE 37: A ticket like this hung on each bin will enable even an inexperienced person to find material.

○

TEMPORARY BIN TICKET

Bin No. _____

Location _____

Material _____

Size and weight _____

Finish _____

When only _____ is left in bin, send regular ticket to storekeeper and put this in its place. When regular ticket is returned, hang both together until stock is above minimum, after which remove this ticket.

FIGURE 38: This temporary ticket takes the place of the regular one when the minimum of stock is in the bin.

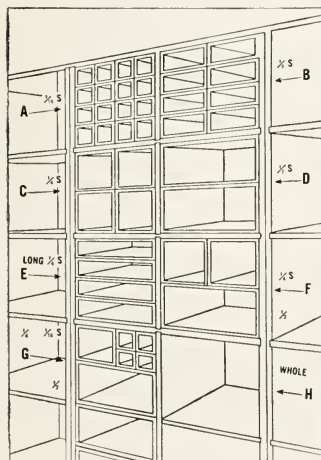


FIGURE 39: The shelves in this bin can be adjusted to suit material of any size required. It is called a unit bin.



FIGURE 40: In this office the stock clerks do their work on roller skates. Is there any advantage in doing this?



FIGURE 41: In this stock room even an inexperienced worker can find material with little difficulty. The large cards on the ends of each stack tell what material is kept in each section of bins; the small tags what is kept in each individual bin. The size of the bin varies according to the material. A bin tag is shown on page 109.

But the work of the stock clerk doesn't end with putting material in the most convenient places, and knowing where those places are. He should also be able to tell exactly how much of any one kind of material is on hand at any time.

Knowing how much stock you have. There are two reasons for this. The stock on hand is of course a part of the assets of the company, and in making up a balance sheet the manager must know how much stock is on hand. The other reason for knowing how much stock is on hand is to be able to obtain a new supply before the present supply runs out.

A good stock clerk never lets his stock of any article run completely out before ordering a new supply. On the other hand, he does not want to have so much ahead that it will deteriorate before it is used, to say nothing of taking up space for which the company may be paying rent.

Taking inventory of stock. Counting the stock is called "taking an inventory." An inventory is simply a record of what you have. A few years ago it was considered sufficient to take an inventory of stock every six months or even once a year. Today nearly every well-managed business insists upon a monthly inventory at least, depending, of course, on the nature of the business.

If these inventory or stock records are correctly handled they show the value of the stock from day to day, prevent overstocking, and tell whether certain articles are moving during the different seasons. They also are of great value in the adjustment of fire insurance.

The perpetual inventory. An inventory card filed topically or numerically may be kept by the storekeeper for each article carried in stock. The card shows the date, the amount received, also the date and amount delivered, leaving a perpetual balance of the amount on hand. The maximum and minimum quantities to be kept in stock are also indicated, showing the proper time for ordering.

It is of course important to take counts from time to time in order to test the accuracy of the stockkeeper's balance. These counts are usually checked by an inspector while being taken, to insure their reliability.

PURCHASING STANDARDS

The work of the purchasing department

1. The primary function of the purchasing department is to buy needed material of the desired quality at the lowest price obtainable. Sometimes this department is responsible also for receiving and checking goods when they arrive.

2. By having all purchasing done through one department, it is often possible to secure the lowest prices and close uniformity of material; also to check accurately deliveries of material bought.

3. A purchase requisition is a written request for the purchase of supplies and must be signed by the manager as well as by the person ordering the material.

4. The purchasing agent keeps close watch on the market conditions relating to price and supply.

5. When the supply is plentiful, prices are usually favorable. For this reason purchases should be made at such times, if possible, even if the material purchased is not needed at that particular time. By the time the material is needed, prices may be considerably higher.

6. A carefully kept set of records helps to eliminate mistakes and uncertainty in buying.

7. If a far-sighted purchasing agent foresees a shortage it may be well for him to purchase more than enough to satisfy the present demand, counting on saving the difference in higher prices later on.

8. In getting estimates, the quality, the price, and the time an article can be delivered must all be considered.

9. The location as well as the reliability of a firm may affect the prompt delivery of an order.

10. A careful check should be kept of the time of delivery of goods in order to avoid delays on subsequent orders.

PURCHASING STANDARDS

Values and prices

1. High prices do not always mean good values.

2. The supply or demand for an article does not always fix its value.

3. Air has no market value, although it is very common.

4. Sunshine cannot be purchased, although it is very common.

5. Purchasing at a low price may permit selling at a larger profit.

6. Competition in buying tends to raise prices because the buyers bid against each other.

7. Much competition in production tends to lower prices.

8. A reputable trademark is often a guarantee of quality.

9. Control of supply may often fix prices.

10. Flour is more useful than diamonds, but there are not many diamonds, the demand for them is large, the supply is firmly controlled, and the prices are therefore very high.

PURCHASING STANDARDS

Points of law

1. An offer to buy or sell may be withdrawn any time before it has been accepted.
2. Your offer to buy is made when your letter is delivered, not when it is mailed; but you may withdraw your offer before the offer is accepted.
3. The contract is completed when the letter accepting your offer is mailed; therefore you cannot withdraw an offer after the acceptance has been mailed, even though you never receive the letter of acceptance.
4. If an offer is worth accepting, accept it at once, or it may be withdrawn.
5. If an article is damaged when shipped, or while in transit, and the carrier is chosen by the seller, the buyer must either return the article or pay for it. If he is compelled to replace the damaged article by a sound one at a higher price, he may recover the difference.
6. If an article you buy is not as represented, you can get your money back or collect damages actually sustained provided that you return the article without unnecessary delay.
7. If, however, you purchase damaged goods after inspection, then you cannot collect damages. "Caveat emptor" means: let the buyer beware.
8. If you buy an article and leave it in possession of the seller, you are the loser in case it is stolen.
9. If you buy an article on trial, the seller is the loser in case it is destroyed before there has elapsed a reasonable time for trying it.
10. If you buy with the privilege of returning, you are the loser in case the article is lost.
11. There are differences in rules of law in the different states of the United States; generally the law of the state in which delivery of the goods is to be made is the law which fixes the rights of the parties.

STANDARD QUESTIONS

The work of the purchasing department

1. What are the objects of a purchasing department?
2. Why should all purchases for a firm be made through one department?
3. How may the buyer know when purchases are necessary?
4. What are purchase requisitions?
5. What information is required by the purchasing agent?
6. Why should the purchasing agent watch the market?
7. Is it ever wise to purchase more than is needed simply because the price is low? Why?
8. Where does the purchasing agent get his information?
9. How may catalogs and price lists be filed and indexed?
10. What three factors must be watched in getting estimates?
11. How are quotations filed?

12. How many copies of purchase orders are usually made? Why?
13. Why should all deliveries be carefully checked?
14. How does the purchasing agent know when goods are received?
15. How may the buyer keep track of an order before it has been delivered?
16. Why must the buyer know the financial responsibility of the firm with which he deals?
17. Why is the location of the house from which he purchases of importance to the buyer?
18. What are the advantages of buying in large quantities?
19. Why should the buyer know about the source of supply?
20. Why should the buyer know about the cost of production?

STANDARD QUESTIONS

Values and prices in purchasing

1. Do high prices necessarily mean good quality?
2. If the cost price of an article is reduced, would the market value also be reduced?
3. If two articles cost the same to manufacture, would the market price be the same? Why or why not?
4. What effect would a large crop of potatoes have on the market price?
5. What effect would a great war have on the market price of wheat?
6. What effect would a small crop of apples have on the market price?
7. What effect would a large number of manufacturers have on the market price of an article?
8. What effect would a large number of buyers have on the market price of an article?
9. Why does a diamond necklace cost so much more than a barrel of flour?
10. Why does the most useful thing in the world have no market value?

STANDARD EXERCISES

Points of law in purchasing

1. What is meant by, "Let the buyer beware?"
2. Is the innocent buyer protected when he purchases stolen goods?
3. In what kind of establishment does the purchasing agent buy raw material?
4. What would a wholesale clothing purchasing agent buy?
5. If an order to buy is made by letter may the offer be withdrawn?
6. Is the offer made when the letter is posted or delivered?
7. If an offer by letter is accepted by letter may the offer be withdrawn before the acceptance is received?
8. Is the offer accepted when the letter is mailed or delivered?
9. If the acceptance by mail is never received, is the contract completed?
10. If a plainly defective article is inspected and purchased, what are the rights of the buyer?

CHAPTER VIII

THE SALES DEPARTMENT

OBVIOUSLY the purpose of the sales department is to sell the product of the company to its customers. To understand just how this purpose is carried out, and the relation of the sales department to the rest of the business, it will be worth while to glance at the chart on page 116.

This chart shows how one firm has organized its sales department. The sales manager is, of course, the head of the department, and under him are the district sales managers and then the salesmen. The branch managers are also sometimes called district sales managers.

What the salesmen do. The salesmen get the orders. They may travel from city to city, or they may be located in one place, which they cover thoroughly, or they may sell right in the store itself. The traveling salesmen call upon their customers, while in a store the customers come to the salesmen. In any case the object is to sell the product of the firm.

Doing business by mail. Considerable business is done by mail as well as by salesmen. This is usually called mail-order business. Some houses do nothing else, employing no salesmen at all, either in the store or on the road. Their customers purchase from a catalog.

Advertising as a source of sales. There is another important source of sales—through advertising. Advertising appropriations run from the cost of a small classified advertisement into millions of dollars, covering full pages of national magazines and requiring careful preparation.

Having thus seen what the sales department does, we are now ready to consider the office work required in connection with marketing the firm's product.

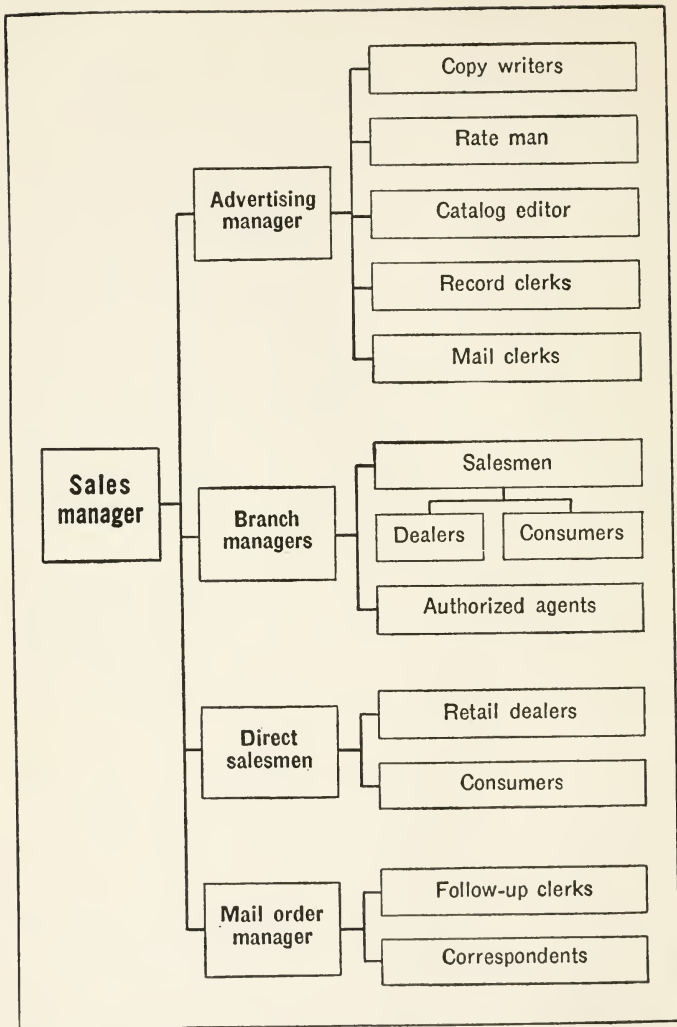


FIGURE 42: The sales manager is in charge of the sales department. Responsible to him in this organization are the advertising manager, the branch managers, the salesmen, and the mail-order manager. The chart shows what each is responsible for. All sales departments may not be organized just like this one of course.

What the sales manager wants to know. The first question the sales manager asks is: "How many dollars' worth of goods are we selling?" Having found this out, his next question is: "What is it costing us to sell that quantity of goods?" And finally: "How can we sell more goods, and yet keep down the expense of selling them?"

All of the records concerned with the sales department are devised with these three questions in mind, and it will be interesting to see how the sales manager gets the information he is seeking.

Reports the salesmen make. Each salesman sends in a daily report of his prospects, calls, and sales. This information is transferred to the office card records and summaries made for comparison. From these statistics charts and graphs are prepared showing the percentage of prospects sold, also the general relation of cost to sales and the ratio of the individual's sales and expenses to the average.

All these records show the producing ability of the salesman, whether the business is up to the standard in each district, and the cost for each dollar of sales. A salesman's typical daily report is shown on page 118.

Likewise the sales slips which the store salesmen send in are recorded and totaled. In large establishments where much compiling of statistics is required and the accounting is complex, a tabulating and recording machine is frequently used.

The daily sales report. From these sources, and from the report of the mail orders, the summary of the day's sales is made up and placed on the sales manager's desk the next morning. On page 119 is shown the report that is made to one manager. This daily report shows not only the sales made, but also the cost of making the sales, thus answering the first two questions of the sales manager.

This leaves the last and sometimes the most important question of all: "How can we sell more goods and yet keep down the expense of selling them?" We will leave to books on selling the discussion of the ways and means used to increase sales, and confine ourselves to examining the office work of the sales department concerned with giving the sales manager

Salesman's weekly expense report for the week ending <u>November 17 1918</u>														
Date	Breakfast	Dinner	Supper	Total meals	Bed	Total	Railroad	Laundry	Bus	Miscellaneous	Miscellaneous	Total	Sales	%
Sunday	.35	.75	.60	1.70	2.00	3.70						3.70		
Monday	.35	.50	.50	1.35	2.00	3.35	1.75		25	.65		6.00	\$120	5%
Tuesday														
Wednesday														
Thursday														
Friday														
Saturday														
Total														

Cash on hand \$ _____
 Expenses for week _____
 Balance on hand _____

FIGURE 43: Traveling salesmen's expenses are usually paid by their company. Every concern wants to know just how much each salesman is spending as well as earning, so they require the salesmen to send in expense reports each week.

Daily Report of Sales <u>November 25 1918</u>				Expense Report <u>November 25 1918</u>	
Dealers Called On The name of every dealer called on must be given, together with his address and the amount sold	Buyer's Name This must be shown in every instance	Town	Amount If not sold mark "X"	The following blanks must be filled in Particularly information regarding transportation service, time, etc., as a matter of office record for future use	
John Smith	Wm. Henderson	Welland	\$60 00	Breakfast at Welland	50
George Morrison	Henry Murray	St. Catharines	40 00	Dinner at St. Catharines	75
				Supper at " "	50
				Bed at " "	50
				Left Welland at 10 o'clock	
				Arrived St. Catharines at 11:30 o'clock	
				Fare (by train, boat, ferry)	1 25
				(Cancel unnecessary words)	
Total sales for day			100 00	Total expenses for the day	3 50
Total expenses for day			3 50	Total sales for day	100 00
<u>John Turner</u> Salesman				<u>John Turner</u> Salesman	
This report must be mailed every day excepting Sunday					

FIGURE 44: Many salesmen are required to report every day the calls made, as well as the names of the customers and their buyers. One company gets a daily expense report at the same time and compares total expenses with total sales.

[illegible]

FIGURE 45: Most sales managers are live wires—otherwise they wouldn't be sales managers. They want the latest methods and they want to know just what is going on in their departments. A daily report of sales like this often helps.

[illegible]

FIGURE 46: Here is another daily sales report for the sales manager. By carefully studying these every day, it is possible to compare today's sales with yesterday's and with the same day last year. Any increase or decrease is apparent.

the information and data that will help him solve his problem of increasing sales without increasing cost, which, after, all, is really not so difficult as it might at first seem.

Handling sales letters. Three methods are commonly used: letters to salesmen, sometimes called "pep" letters or "ginger" letters; letters to customers, usually called sales letters; and direct and indirect advertising.

Letters to the salesmen are sent whenever occasion requires. Sales letters may be sent only occasionally, or, as is more often the case, they may be mailed at certain intervals. A series of letters mailed in this way is sometimes called a follow-up series because each letter is expected to follow up the message carried in the preceding letters.

Follow-up sales letters are usually sent out on a prearranged schedule, which shows just when the proper letter is to be mailed. On page 121 is shown the mailing schedule of one large mail-order house.

The use of mailing lists. "Mailing list" is the name usually given to the lists of names of prospects to whom sales letters and other advertising material are mailed. Some sales managers have mailing lists which require constant attention to keep them up to date, because of changed addresses, deaths, and so forth. One sales manager considers that it costs more to correct his prospect lists than to make up new lists of prospects every year. Of course the list of customers is kept up to date all the time, but this man found there were so many changes in the prospect lists that it took longer to make the changes than to make up new lists. He gets new names from advertisements, clippings, salesmen, or lists purchased from directory and mailing companies who make it a business to furnish lists in various lines of trade.

Some concerns keep their mailing lists on cards, while others use addressing machine plates or stencils. In any case the method of filing is usually a combination of the alphabetical and geographical systems, as described in Chapter VI.

Recording the results of advertising. Millions of dollars are said to be spent each year in ineffective advertising, both direct and indirect. Perhaps one reason for this waste of money

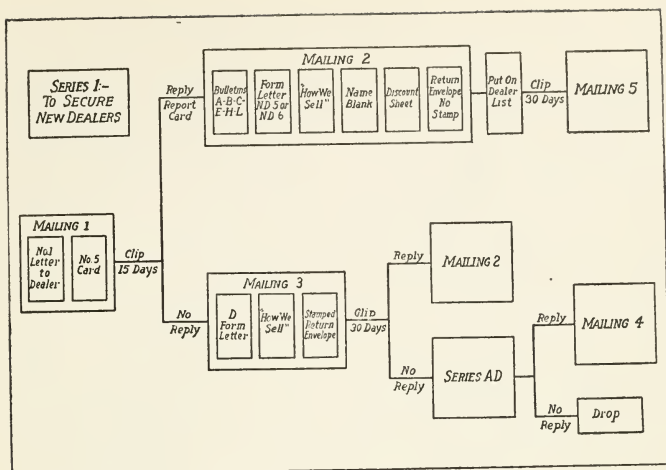


FIGURE 47: This schedule shows one concern just when to mail its follow-up sales letters. Fifteen days after number 1 is mailed, if no reply is received, number 3 is sent—if a reply is received number 2 goes out—and so on, to the last one.

S1	Date	S2	S1	S3	S2	S4	S3	S5	S4	S6	S5	SA	S6	S8	SA
5	5	5	5	5	5	5	5	20	5	20	5	20	5	20	5
6	6	6	6	6	6	6	6	21	6	21	6	21	6	21	6
7	7	7	7	7	7	7	7	22	7	22	7	22	7	22	7
8	8	8	8	8	8	8	8	23	8	23	8	23	8	23	8
9	9	9	9	9	9	9	9	24	9	24	9	24	9	24	9
10	10	10	10	10	10	10	10	25	10	25	10	25	10	25	10
11	11	11	11	11	11	11	11	26	11	26	11	26	11	26	11
12	12	12	12	12	12	12	12	27	12	27	12	27	12	27	12
13	13	13	13	13	13	13	13	28	13	28	13	28	13	28	13
14	14	14	14	14	14	14	14	29	14	29	14	29	14	29	14
15	15	15	15	15	15	15	15	30	15	30	15	30	15	30	15
16	16	16	16	16	16	16	16	31	16	31	16	31	16	31	16
17	17	17	17	17	17	17	17	1	17	1	17	1	17	1	1
18	18	18	18	18	18	18	18	2	18	2	18	2	18	2	18
19	19	19	19	19	19	19	19	3	19	3	19	3	19	3	19
20	20	20	20	20	20	20	20	4	20	4	20	4	20	4	20
21	21	21	21	21	21	21	21	5	21	5	21	5	21	5	21
22	22	22	22	22	22	22	22	6	22	6	22	6	22	6	22
23	23	23	23	23	23	23	23	7	23	7	23	7	23	7	23
24	24	24	24	24	24	24	24	8	24	8	24	8	24	8	24
25	25	25	25	25	25	25	25	9	25	9	25	9	25	9	25
26	26	26	26	26	26	26	26	10	26	10	26	10	26	10	26
27	27	27	27	27	27	27	27	11	27	11	27	11	27	11	27
28	28	28	28	28	28	28	28	12	28	12	28	12	28	12	28
29	29	29	29	29	29	29	29	13	29	13	29	13	29	13	29
30	30	30	30	30	30	30	30	14	30	14	30	14	30	14	30
31	31	31	31	31	31	31	31	15	31	15	31	15	31	15	31
1	1	1	1	1	1	1	1	16	1	16	1	16	1	16	1
2	2	2	2	2	2	2	2	17	2	17	2	17	2	17	2
3	3	3	3	3	3	3	3	18	3	18	3	18	3	18	3
4	4	4	4	4	4	4	4	19	4	19	4	19	4	19	4

FIGURE 48: This mailing schedule isn't as complicated as it looks. The symbols at the top represent a series of follow-up letters. Find in the second column the date of the last letter. In the first column is the date for the next letter.

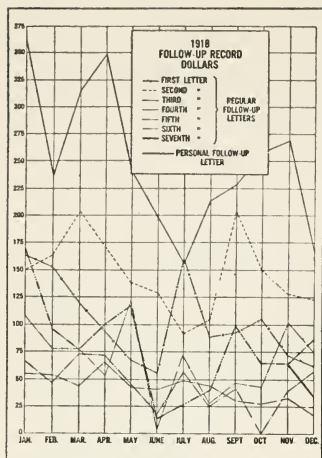


FIGURE 49: A graph like this shows just how much business each letter in the follow-up series is bringing in.

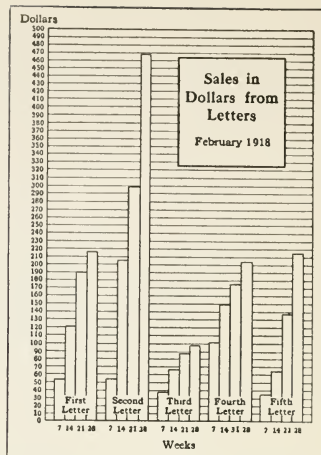


FIGURE 50: And this chart shows the actual sales in dollars which each letter in another series produced.

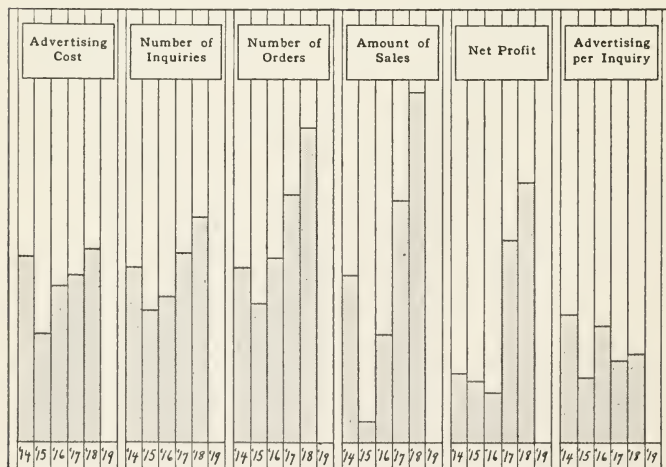


FIGURE 51: A chart like this one presents facts just as truly and much more vividly than long, dull columns of figures. It also makes possible a comparison of sales with costs at a glance. Each column represents one year of advertising.

is the lack of an effective plan for checking up the returns. A concern may feel sure it has an article to sell that is desired by a certain class of people, or it may be able to write an interesting story about it, or it may know the best time to advertise the article. But it is not sure of the best medium through which this information is to be given to the public.

On this account it is necessary to keep a complete record of all returns, both of inquiries and the actual sales closed. Such records usually run for some time in order to make the comparisons of different mediums of any value.

The results obtained from the sales letters are recorded and charted for the sales manager. By "keying" each follow-up and form letter so as to show the number of customers secured, a record can be made showing which letters are effective and which ones should be strengthened or discarded.

If a letter or a mailing should show particularly good results, the sales manager would want to use that letter again some time and perhaps get some good points to use in other letters. The measure of any effort is the result that effort produces, and it is by results that the manager determines which are the best letters to use. The charts one firm uses for watching the results of its mailings are shown on page 122.

How to check advertisements. Just as the results obtained from sales letters are checked, recorded, and tabulated, so also are the results obtained from advertising. While it is sometimes a little more difficult to get accurate records of results from newspaper and magazine advertising than from direct-by-mail advertising, yet comparative returns are not at all impossible. Such returns are particularly valuable in planning the advertisement and in deciding which mediums to select for advertising purposes.

In one method that is employed the records are kept fairly accurate by "keying" each advertisement. This is done by using some symbol or distinctive mark in the address line or as a part of the coupon which will easily identify the source of the inquiry. Sometimes a department letter is used, such as "Department A" in one medium, while in another publication the address might be "Department C." Sometimes the

numbers in the address may be either street or room numbers or several different addresses may be used.

Many advertisers use a coupon on which is printed the name of the publication containing the advertisement. One advantage in using a coupon is that it usually seems to make it easier for the writer to send in his order or to make an inquiry.

When the replies come in they are assorted according to "key" numbers and it is then a comparatively simple matter to record the number of replies to the advertisement. The records usually show the name of the publication and all necessary information in regard to the advertisement and the results obtained from that advertisement.

A comparison of these records helps the manager to select the profitable media and to discard the unprofitable ones. They also indicate the size and kind of copy which is most productive and the season of the year when the best results are obtained for each particular proposition. One concern uses a card like that shown on page 125 for keeping track of the results obtained from its advertising.

Some firms insert advertisements in series, on the same plan as a follow-up series of letters. This also requires a schedule, of course, just like the letters, and the form on page 125 shows how an eastern corporation keeps its records of advertisements which appear in series.

Filing advertising material. Many advertising managers collect clippings, booklets, lectures, advertisements, and any other material that will be of service in preparing copy in the future. In filing this material the same principles apply to a certain extent that are described in Chapter VI. Perhaps topical filing is more widely used than any other, although of course circumstances may require other methods or combinations of methods.

Photographs, drawings, and proofs are almost always filed in vertical file drawers if possible. If they are arranged numerically and card indexed, reference to them is made quickly and conveniently without loss of time. Of course when a drawing or a picture is removed from the file a note is made on the card showing where it has gone.

[illegible]

FIGURE 52: Advertisements which are inserted in series have to be prepared on schedule. That is what this form does. It gives the dates of publication and when the advertisement must be ready. It is helpful in writing the advertisement.

[illegible]

FIGURE 53: Advertisers in magazines want to know just how much business their advertising is bringing in. This card provides for one year's advertising in one publication. The resulting inquiries and orders are recorded below.



FIGURE 54: This is one method of filing large photographs, maps, or charts. They are placed flat in the drawers. Although they are not so easily found perhaps as if filed vertically, it is claimed flat filing keeps them in better shape.



FIGURE 55: Here is a cabinet for filing large photographs vertically. Since they are placed in portfolios, they keep clean. Perhaps the greatest advantage of this method is that they are easily located by means of the index on the door.

More or less difficulty is often experienced in filing electro-types, halftones, and zincs because it is not always easy to give a "cut," as it is called, a name by which it may be readily identified and located. One plan that works very well is to file the cuts by number in shallow drawers provided for this purpose.

Proofs of the cuts are pasted on looseleaf sheets $8\frac{1}{2} \times 11$ inches and filed in regular file drawers with guides to show the subjects covered. A notation is made on the index card whenever the cut is sent out, showing where it went and when it will be returned.

A word about contracts. Since nearly every sales and advertising department handles many contracts, it will help to become familiar with a few basic principles covering contracts. The essential features of a contract are: first, the parties must be competent; second, there must be a consideration; third, there must be a definite subject matter; fourth, there must be mutual assent; fifth, the time must be definite.

Contracts are written, oral, or implied. A written contract is no stronger than an oral or implied one, but the method of proving oral and implied contracts is sometimes more difficult than the written contract, which generally proves itself. One business man persistently refused to sign contracts of any kind.

"If my word is not good," he would say, "then we can't do business."

One day he rented a building for five years at a rate of \$500 a month. As usual he refused to sign a lease and he soon took possession under his customary oral agreement.

In a little over a year rents rose in his district, an industrial boom set in, and a local manufacturer offered the owner \$800 monthly rental for the building on a 10-year lease. The owner accepted and mailed the occupant a 30-day notice to vacate.

When the tenant consulted his lawyer he was advised to move because the law provided that a contract which cannot be carried out in less than a year must be in writing, and he didn't have any written contract at all. After this costly experience the sufferer resolved to reduce all agreements to writing, and in the case of all involved contracts to consult his attorney without fail.

An agreement to purchase merchandise valued at \$500 or over is not binding unless it is in writing and signed, or unless paid at the time the order is given. For example, a flour salesman telephones a customer that he has a hundred-barrel lot of flour for sale at \$5 a barrel, and the customer says he will take it; the salesman orders the hundred barrels shipped to the customer from the mill.

Before the flour arrives the price falls to \$4 a barrel and the customer refuses to accept it. He cannot be compelled to take the flour, and the seller stands the loss. Had the customer signed an agreement to take it, or had he paid any money on account of the purchase, or had the salesman delivered one barrel of flour, the customer might have been compelled to pay the price at which he had agreed to buy the flour.

In some states this would be true if the price of the lot of goods sold were only \$50; and in a very few states, neither writing, part delivery, nor payment of part of the purchase price is required. Agreements to sell real estate must, however, always be in writing.

SELLING STANDARDS

What a contract is, and when it is binding

1. A contract is an agreement between two or more persons.
2. The parties to a contract must be competent.
3. A contract made by a minor is not void but it is voidable.
4. A contract made with an intoxicated person is not enforceable, if it is apparent that he cannot understand what he is doing.
5. The "minds must meet" or agree in order to make a contract.
6. A says: "I think I will sell my horse for \$100." B says: "I accept."
This does not make a contract.
7. A contract made by force is illegal. "An act done by me against my will is not my act."
8. Generally, "The outward act indicates the inward intent."
9. Usually, "A wrong is not done to one who knows and wills it."
10. The requirements of the contract must be lawful.
11. Generally, "A contract cannot arise out of an illegal act."
12. Gambling contracts are illegal and void.
13. A contract promising to make a gift cannot be enforced.
14. There must be a valuable consideration in every contract.
15. Don't change the consideration when accepting an offer or there is no contract.

16. A says: "I will paint your house for \$200." B says: "I accept at \$195." This does not make a contract.
17. The contract is made when the offer is accepted.
18. If a good offer is made, accept at once or it may be withdrawn.
19. If you intend to withdraw an offer do it at once or it may be accepted.
20. If you accept and use fruit you did not order, you must pay for it, unless the circumstances under which it comes to you indicate that it was intended as a gift or that it was not to be paid for. But a person cannot make you his debtor by imposing upon you the inconvenience of rejecting benefits that he forces upon you.
21. In some states a contract is valid if drawn on Sunday.
22. Don't make an oral contract when you can make a written one.
23. A contract is legal if written with a lead pencil.
24. An oral contract is usually as binding as a written one.
25. Agreements not to be carried out within a year must be in writing.
26. In many states a contract to purchase goods in value over \$50 must be in writing.
27. Contracts for the purchase of real estate must be in writing.
28. Leases for over a year should be in writing.
29. Pay something on an oral offer if you want to bind the bargain.
30. There is less opportunity for dispute in written than in oral contracts.
31. A promises to pay B \$100 in potatoes. This is a good contract.
32. You get in a ferry boat and are rowed across the stream. This is an implied contract.
33. It is a serious offense to change or erase contracts without the consent of all parties concerned; a contract changed without the consent of all the parties is not enforceable.

SELLING STANDARDS

Some legal points in selling

1. A man cannot sell that which has ceased to exist.
2. He may contract to sell a crop which is not in existence.
3. An out-of-style suit is as serviceable as ever but not so valuable.
4. A diamond is very valuable but not particularly useful.
5. Sunlight is useful and serviceable but not valuable.
6. Air has no value because no one wishes to buy it, although it is very useful.
7. You may be richer if you double the price of your land, but you do not create any wealth.
8. If you take an article home on approval, the sale is not made unless you keep the article beyond a reasonable time to decide whether you want it.
9. If something remains to be done, the sale is not made until the work is completed.
10. If delivery is to be made, the owner is responsible until it is delivered.
11. The delivery of an article does not constitute a sale.

12. An article may be delivered, to be paid for on the instalment plan.
13. If goods purchased on the instalment plan are destroyed by fire, the purchaser is the loser.
14. If you buy an article with the privilege of returning, the sale is completed.
15. If goods bought with the privilege of returning are stolen while in your possession, you are the loser.
16. If you take home an article on approval and it is stolen, the store is the loser.
17. If you buy an article which was delivered at your home but stolen before it reached you, you would be the loser.
18. If you buy an article which was lost in delivery, the store would be the loser.
19. A promise to perform certain work is a valuable consideration.
20. One dollar is a valuable legal consideration.
21. Love and esteem are good considerations, but a good consideration is not what the law requires for a valuable consideration.
22. A married man should not execute a deed without his wife's signature.
23. A married woman should not execute a deed without her husband's signature.
24. A chattel mortgage is salable, but the goods must not be sold without permission.
25. The unpaid seller may stop goods in transit, if the buyer fails.
26. If the buyer has received his bill of lading and transferred it, the seller cannot take the goods.
27. A person without a title can sell negotiable papers to an innocent purchaser before they are due and the title of the purchaser will be good unless the paper was stolen.
28. A person can sell an article left in his possession to an innocent purchaser and the owner will not be able to recover it.
29. Generally one cannot give a better title than he possesses, subject to the exceptions in the preceding paragraphs.
30. If the buyer refuses to accept the sold article, the remedy is to sue for damages or to enforce the contract.

STANDARD EXERCISES

The law of sales

1. Mr. Fall purchased a bill of goods amounting to \$100 and paid for them with a check which was accepted and the bill marked paid. Is Mr. Fall discharged from any other liability?
2. A merchant sold a hat to Mr. Fast for \$5 cash. The hat was delivered at Mr. Fast's place of business but he never received it. Who was liable for the loss and why?
3. Mr. Cone purchased a horse from Mr. Lloyd for \$200. It was agreed that the horse should be delivered in a week and paid for in four weeks. Two

days after the contract was made the horse was killed by lightning. Who would be the loser and why?

4. Mr. Hill agreed to purchase from Mr. Ives a horse for \$300 provided he could try it one week on approval. During the second day while in Mr. Ives' possession the horse was killed by fire. Who was the loser and why?

5. Mr. Hunt agreed to purchase an automobile from Mr. Howe for \$1,000 provided the car was painted before delivery. Before the painting was finished the car was destroyed by fire. Who was the loser and why?

6. Mrs. Cone purchased some furs valued at \$100 with the agreement that she could return them any time within a week if not satisfactory. Before the end of the week the furs were stolen. Who would be the loser? Why?

7. Mr. True, a country merchant, orders by mail a bill of goods amounting to \$200. The goods were promptly shipped as ordered but were destroyed in transit. Must True pay for the goods he never received? If he doesn't have to pay, who would? Why or why not?

8. Mr. Sells bought a riding horse from Mr. Tine for \$300. After riding a few miles the horse went lame. Mr. Sells demanded the return of his money, claiming misrepresentation. How much can he recover?

9. Mr. Camp authorized his coachman to sell a riding horse for \$200. The coachman warranted the horse to be sound, although it was not. For how much is Mr. Camp liable?

10. Mr. Small ordered and paid for a suit of clothes from his tailor. The clothes were finished and ready for delivery when the shop and contents were burned. On whom does the loss fall? Why?

11. Mr. White takes cloth to his tailor to be made into an overcoat for \$20. Mr. White is notified that the coat is finished, but before he gets it the shop burns. Must Mr. White pay the \$20 and the tailor pay for the cloth? Why or why not?

12. Mr. Hunt ordered by letter a table which he had examined at the store the day before. When the table was delivered, he refused to pay for it, as he did not like it. Can the merchant collect? Why or why not?

13. Mr. Hart ordered by telephone a bedroom set which he had seen in a show window marked \$75. When the furniture was delivered, Mr. Hart did not like it and refused payment. Can the merchant collect the price of the furniture? Why or why not?

14. Mr. Brown employs Mr. Black to buy a car for him at an auction sale. Mr. Black buys the car with his own money and sells it to Mr. Brown at a profit of \$150. What remedy has Mr. Brown? Why?

15. A customer purchased a table on credit, but at the expiration of the time for which credit was extended he did not make payment. Can the merchant recover the table? Why or why not?

16. Mr. Bell lost his watch. It was found by Mr. Coin, who sold it to Mr. Doyle, an innocent purchaser. Can Mr. Bell recover the watch from Mr. Doyle? Why or why not?

17. Mr. Ball agreed to purchase a watch if it proved satisfactory on 10 days' trial. Before the 10 days expired Mr. Ball sold the watch to Mr.

Davis. Can the jeweler recover the watch or to whom must he look for his pay? Why?

18. Mr. Bates made an oral agreement with Mr. Call that he would sell to the latter 200 tons of coal at \$6 a ton, provided the order was received within 15 months. Mr. Call sent in the order in 13 months and Mr. Bates refused to make shipment. Is Mr. Bates liable? Why or why not?

19. Mr. Hyde purchased \$400 worth of goods from Mr. Ives and gave in payment Mr. Brown's note for \$400, indorsed "without recourse." Mr. Ives was unable to collect on the note and sued Mr. Hyde. Must Mr. Hyde pay for the goods? Why or why not?

20. Mr. Day agreed to sell his automobile to Mr. Barr for \$1,000 and Mr. Barr made a payment of \$25. Later Mr. Day sold the car for \$1,200 and returned the \$25 to Mr. Barr. What recourse has Mr. Barr?

STANDARD QUESTIONS

The sales department

1. What is the purpose of the sales department?
2. How is this purpose carried out?
3. What do the salesmen do?
4. What is meant by "mail-order" selling?
5. Is advertising an important source of sales? Why?
6. What three facts does the sales manager want to know?
7. What is the purpose of keeping records in the sales department?
8. What do the daily reports from salesmen show?
9. What becomes of the information sent in by the salesmen?
10. Is there any way of handling a large volume of statistics quickly and accurately?
11. What does the daily sales report show the sales manager?
12. What three methods are used to increase sales?
13. What are "pep" letters?
14. What are sales letters?
15. What is meant by a follow-up series?
16. How are follow-up letters usually sent out?
17. What is a mailing list?
18. How is the mailing list kept up to date?
19. How are mailing lists filed?
20. Why is it necessary to keep a record of advertising?
21. What do advertising records show?
22. What is meant by "keying" an advertisement or a letter?
23. Why are letters and advertisements keyed?
24. Describe how an advertisement may be keyed.
25. Why are coupons used in advertising?
26. What is done with the coupons?
27. Describe a schedule and explain how it is used.
28. What kind of material is filed in the advertising department?

29. What method is used in the advertising files?
30. What kind of illustrations are used in the advertising department?
Name as many kinds as you can recall.
31. How are illustrations filed in the advertising department?
32. What is a "cut?"
33. Name the different kinds of cuts.
34. How are cuts filed?
35. Describe a system for keeping track of cuts.

STANDARD QUESTIONS

Concerning contracts and other legal papers

1. How many persons does it require to enter into a contract?
2. What is meant by the saying that the minds must actually meet in order to form a complete contract?
3. Are oral contracts enforceable?
4. Are unlawful contracts enforceable?
5. Are contracts dated on Sunday void?
6. Are contracts made by minors voidable?
7. Are contracts made by insane people enforceable?
8. Are contracts made by intoxicated people enforceable?
9. Why are not oral contracts generally considered as secure as written contracts?
10. Is an oral contract enforceable if not carried out within a year?
11. Is a contract promising to make a gift enforceable?
12. Can contracts for services be broken?
13. If one party to a contract fails to perform his part of the agreement, can the other party be held responsible?
14. Can a person be punished for not paying according to the contract if he actually does not have the money?
15. What is meant by a contract under seal?
16. B agrees to buy a horse from A for \$200. If the horse dies before it is delivered to B, is B responsible?
17. A makes an offer to sell B a lot for \$2,000. Before B accepts the offer, A changes his mind and withdraws his offer. Can B force A to sell?
18. A, who lives in Montana, offers to sell for \$5,000 a farm to B, who lives in Iowa. On November 2 A writes to B that he is withdrawing the offer. On the same day B writes A accepting the offer. Can A be forced to sell?
19. A gives B a note in which he promises to pay \$200 in potatoes at the market value. Is this a good contract?
20. A promised to pay B \$500 if he lost a bet he made with B. He lost the bet. Can B collect the money?
21. A offers by letter to sell a house to B for \$2,000. B replies by letter that he accepts the offer subject to the house being put in good repairs. Is there a contract or not?
22. Why is it important to avoid erasures in drawing legal papers?

23. Why should legal papers of all kinds be protected by covers?
24. What is meant by a power of attorney?
25. Is a power of attorney good after the death of the person granting it?

STANDARD EXERCISES

Points of law in sales contracts

1. Mr. Brown says to Mr. Call: "I think I will sell my car for \$1,200." Mr. Call says: "I accept that offer." Is that a contract? Why or why not?
2. Mr. Arens says to Mr. Burns: "I will pay you \$100 to paint my house." Mr. Coyl, who is standing near, replies: "I will accept that offer." Is this a contract? Why or why not?
3. Mr. Doyle says to Mr. Elm: "I will pay you \$75 to paint my automobile." Mr. Elm replies: "I will accept for \$80." Is this a contract? Why or why not?
4. Mr. Frye says to Mr. Gill: "I will take \$200 for this white horse." The next day Mr. Gill meets Mr. Frye and says he will accept the offer for that horse. Mr. Frye refuses to sell. Can Mr. Gill enforce the sale? Why or why not?
5. Mr. Blaire steps on a street car and rides three blocks. Is this a contract and if so how is it enforced?
6. A newspaper was sent regularly by mail to Mr. Dale, who had not subscribed but who did not refuse to receive it and did not direct its discontinuance. Must Mr. Dale pay for the paper?
7. Mr. Gale sent a crate of strawberries to Mr. Abbott, who had not ordered them, but he received them and used the berries. Can Mr. Gale collect the price of the berries? Why or why not?
8. Mr. Boyd without authority to do so sends a watch to Mr. Cain and writes: "Give the watch a 10-days' trial and if you do not return it at that time I shall consider it sold for \$25." Cain does not return the watch. How much can Mr. Boyd collect? Why or why not?
9. Mr. Crane offers a lot to Mr. Dalton for \$2,000 and gives him until 6 o'clock in the afternoon to decide. About 2 o'clock Mr. Crane is offered \$2,500 for the same lot and sells it. Mr. Dalton accepts the offer and sues Mr. Crane for breach of contract. Can he collect? Why or why not?
10. Mr. Bamberg wrote to Mr. Crane on May 4, and offered him \$200 for a riding horse. Mr. Crane answered on May 5, accepting Mr. Bamberg's offer. In the meantime Mr. Bamberg changed his mind and wrote Mr. Crane on May 5, withdrawing his offer. The letters passed each other in the mails. Can Mr. Bamberg be compelled to take the horse? Why or why not?
11. Mr. Brown on his twentieth birthday purchased a \$600 piano as a gift for his sister. Mr. Brown signed a written contract agreeing to pay for the piano in six months. Can the piano dealer collect if Mr. Brown refuses payment? Why or why not?
12. An infant borrowed \$40 of an adult with which to purchase food and clothing. Can the adult recover the borrowed money? Why or why not?

CHAPTER IX

HOW ORDERS ARE HANDLED

IN a small business it is often possible for one person to handle all the office details in connection with the handling of orders. But nearly all large concerns have a separate department which does nothing but handle orders.

Writing the order. Orders are usually written on standard order blanks, which provide space not only for the goods ordered, but also for the other information necessary to an intelligent handling of the order, such as the customer's name and address, the terms on which the goods were sold, when and where the order is to be shipped, and any special directions or instructions. The blank shown in Figure 57 on page 137 gives a good idea of what one company requires.

How orders are "registered." When the order reaches the office it is immediately "registered." Of course each company has its own way of registering its orders, but the purpose is always the same—to make an accurate record of every order, so that if at any time a question should come up, the details of that order can be found immediately by referring to the register. In one office the following information is registered:

- Date
- Number of the order
- Name of customer
- What is ordered
- Quantities ordered
- Amount of sale
- Terms
- How the order was obtained

Not only does this give the information about each order, but by simply totaling the column "amount of sale," the total

sales for any day can be immediately obtained. Under "how the order was obtained," there may be two or three columns, or even more if it is thought desirable, each column showing a source of sale

Putting the order through. But the registering of the order is only a step. After the order is registered it must be filled. Obviously orders alone are worthless; they don't bring any profit to the firm until they are filled. That is why it is so very necessary to fill all orders as soon as possible after they are received.

Before orders can be filled, however, they must be approved by the credit department, to make sure that the customer's credit is good for the amount of the order, and also to ascertain whether the goods shall be shipped c. o. d. (cash on delivery) or not. If a customer's credit is not satisfactory, a concern will often ship goods c. o. d., requiring the customer to pay the transportation company for the goods before he can get them. Obviously, however, it would be unwise to ship c. o. d. to a customer whose credit was good, because of the risk of losing the customer's good-will.

Analyzing the order. After the credit department has o. k.'d the order, it comes to the analysis clerk, who divides all orders into three classes; those that

- (1) can be filled from stock on hand
- (2) must be purchased from other concerns
- (3) must be manufactured

Of course some orders might come under all three of these classes. But almost any order can be divided so that it will fall into one of these groups, and this dividing into groups is called "analyzing the order."

Why orders must be analyzed. Orders for goods in stock can be filled at once by the stock room, while the purchasing department has to buy goods which must be purchased outside, and those that have to be manufactured must be put through the shop or factory. It would be wasteful to send a stock order to the purchasing department; and there would be no reason for sending a purchase order to the factory. In other words, orders

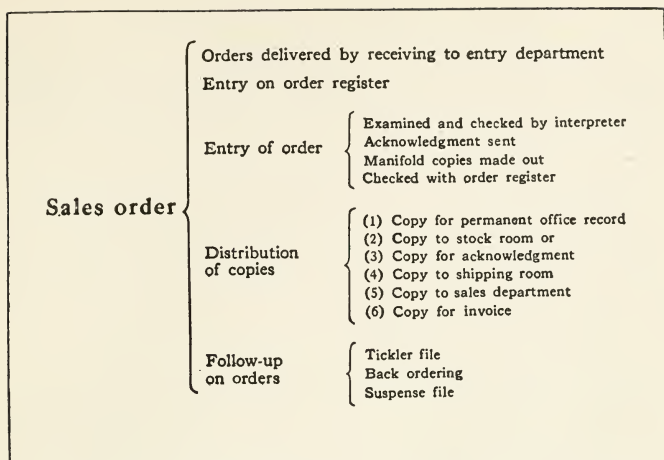


FIGURE 56: By studying this chart carefully you will learn what happens to a sales order in the average office from the time it is received and entered until it is filled, shipped, billed, and finally disposed of. An invoice is shown below.

MACDONALD & WORTH CHICAGO					
Sold to _____		Date _____			
Street _____					
City _____		Discount _____			
State _____		Salesman _____			
Ship by _____		When _____			
Quantity	Kind	Description	List price		Totals

FIGURE 57: As many copies of the sales order are made as are needed to be sent to the various departments. This copy, which is sent to the customer as a record of the sale, is called the invoice; sometimes it is enclosed with the goods.

should go only to those departments which are concerned with the order: a purchasing order would go to the purchasing department; a stock order would go to the stock room; and a factory order would go to the factory.

We could send the original order, if there were only one kind of goods ordered on it; but if there were several kinds, then copies must be made, one for each department concerned. And each copy must contain full directions for handling the order, as well as where to send it, and how to send it, whether by freight, express, or parcel post.

How many copies must be made? In addition to the copies that must go to the departments which are to make up the order, as we saw in the preceding paragraph, certain other departments must also get copies. Some concerns do not use over three or four copies of the regular house order forms. The original is sent direct to the shipping department. Another is filed alphabetically in the unfilled order files of the office. One copy passes to the accounting department, where it is filed numerically. The fourth copy is filed in the sales department for the statistical record.

When the order has been filled, the shipping department returns its copy to the order department with the shipping receipt attached. The order then passes to the accounting department for billing, after which the unfilled order is released and filed with the filled orders.

It is also possible, in making out orders, to include in the same operation the invoice and an acknowledgment of the order. Where orders must pass through the factory, as many copies are made as will be needed in the different shops. When an order comes in for a machine which is to be shipped complete, this method can be still further expanded.

With one writing, copies may be made for acknowledging the order to the agent and to the customer, an order to the factory, a notice to the traffic department, two notices to the treasurer, two copies for the order department, a notice to the agent with credit of commission, a notice to the accounting department to credit the agent's commission, and a ledger sheet for the accounting department.

How copies are made. When eight or ten copies are required, if these were written by hand or even on a typewriter, the cost might be excessive. Some interesting methods have been developed for making copies of orders. Of course one of the commonest is the typewritten carbon copies, but this may be expensive if more than three or four copies are required.

One company uses a simple method of copying its orders. The original order is printed in copying ink, and the salesman uses a copying pencil in making out the order. After the order has been registered any desired number of copies may then be made on an ordinary gelatin duplicator.

Another company uses a raised type duplicator for the purpose. A stencil or "plate" is stamped containing the desired information. With this plate or stencil the requisite number of copies are printed at one time. With this arrangement, even the invoice can be made out at the same time.

In the next lesson we shall find out what the shipping department does with the orders it has received.

ORDER DEPARTMENT STANDARDS

The routine of the order department

1. In a small business one person may handle the orders.
2. In a large business an entire department may be required to handle the orders.
3. Orders are usually written on standard order blanks.
4. Registering orders provides an accurate record for future reference.
5. The order register shows the date, the name of the customer, what is ordered, the quantities, the amount, the terms, and the source.
6. The total sales are obtained by totaling the "amount of sale" column.
7. The sales manager watches the column headed "how the order was obtained," in order to decide what steps to take to increase sales.
8. Since there is no profit in unfilled orders, every order should be filled as soon as possible after it is received.
9. The credit department should approve all orders.
10. If a customer's credit is not satisfactory, goods may be shipped c.o.d.
11. An order should not ordinarily be sent c.o.d. to a customer whose credit is good, lest he be offended, and his good-will lost.
12. Orders are divided into three classes: those that can be filled from stock on hand, those that must be purchased and those to be manufactured.
13. This division of orders into classes is called "analyzing the orders."
14. Orders should go only to those departments which are concerned with the order; hence the necessity for order analysis.

15. In addition to the copy of the order which goes to the stock room, the factory, or the purchasing department, one copy goes to each of the following departments: shipping, accounting, sales; and also to the unfilled order files.

ORDER DEPARTMENT STANDARDS

Following an order through a factory office

1. The order comes in by mail and is opened in the mail-opening department.
2. It is sent to the order department, where it is recorded and given an order number.
3. It is sent to the credit department for o. k.
4. It is duplicated, and duplicate orders are sent to each department which is to furnish a part of the material.
5. It is billed in the accounting department.
6. The production department has the order with the date on which the shipment is to be made.
7. The planning department makes out instructions for filling the order, with the time for completion. The order is scheduled.
8. Requisitions for material are sent to the store room.
9. The foreman has the order. The material from the store room is gathered, assembled, inspected, finished, and sent to the shipping department.
10. The shipping department has the order.
11. If the order is shipped by freight, the bill of lading is obtained.
12. If it is shipped by express, a receipt is obtained.
13. If it is shipped by mail, postage is paid and a receipt is obtained if it is registered or insured.
14. The accounting department is notified of the shipment of the order.
15. The accounting department sends the bill to the customer.
16. The money is paid, or
17. The accounting department sends the bill to the collection manager.

STANDARD QUESTIONS

The routine of the order department

1. How are orders usually written, and why?
2. What information is given on an order blank?
3. What is the first step in handling orders?
4. What information is recorded in the order register?
5. What does the order register show the sales manager?
6. What happens to an order after it is registered?
7. What is meant by analyzing an order?
8. How is an order analyzed?
9. What departments should receive copies of orders?
10. How are orders copied?

CHAPTER X

WHAT YOU OUGHT TO KNOW ABOUT SHIPPING

ALL the time and care that may have been expended in getting a customer may easily be lost in the shipping department. Probably more complaints arise from the careless handling of merchandise in transit than from any other cause, leaving out of consideration, of course, the question of quality. The shipping department is therefore an important link in the chain that holds the customer to the company.

The duties of this department. Not only must the shipping department watch proper packing and routing, to help make sure that the quantities are correct, and that the order should reach the customer in good condition and in a reasonable time but also it must notify the office when goods are shipped. Although the reasons for this seem obvious, yet undoubtedly many concerns are today losing money because their shipping departments are sending out orders for which the customer never pays, simply because no records are made of the shipments. Another reason for notifying the office that shipment has been made is so that inventories may be reduced accordingly and thus be kept accurate.

Let us then take up the duties of the shipping department.

How orders are shipped. Nothing should be shipped without proper authority, which is usually a copy of the original order. For goods which are in stock some concerns make out the labels in the order department, and send only the label to the shipping department. This label has two parts; the left-hand part is the label, and the right-hand part is the order. It is sent to the shipping room in duplicate. The label is pasted on the outside of the package.

The duplicate is a receipt, to be signed by the transportation company to whom the package is delivered. This duplicate is returned to the office and is not only a notice that the shipment has been made, but it also shows who received the shipment, and what the carriage charges are—a mighty valuable record in the event of loss or damage.

What proper packing can do. Proper packing is an important duty of the shipping department. It is often possible to save not only a great deal of unnecessary breakage in shipment, sometimes resulting in customers' returning goods, but also unnecessarily high freight charges, if the best method of packing is adopted. Usually this comes under the authority of the shipping clerk, although where large quantities of material are shipped, there is sometimes a special packing department which may or may not be under the supervision of the shipping clerk. In some concerns the method of packing is standardized for each product the company handles.

In the smaller concerns the shipping clerk decides by what route and by what method of transportation the shipment will go. In the larger concerns, however, this ordinarily is handled by the traffic department, which works with the shipping room and sees to it that it has on all orders definite instructions as to whether shipments should go out by messenger, parcel post, express, or freight, and by which route.

Handling freight shipments. If a shipment is to be made by freight, a bill of lading is made out. This bill of lading is really only a contract between the shipper and the transportation company, in which the transportation company agrees to convey the goods described, subject to certain rules and conditions.

The bill of lading also serves as a receipt for the shipment; it is made out in triplicate, the original usually being sent to the customer, as notice that the goods have been shipped, and as his authority to get the goods from the transportation company; one of the copies is retained by the freight agent, and the other is filed by the shipper.

Making express shipments. If a shipment is to be made by express, an express receipt is made out, describing the goods shipped, and signed by the express driver. Often express

receipts are bound in books and kept in the shipping room for reference, if occasion should arise.

What it costs to ship. The transportation companies furnish shippers with tariffs giving the rates from the shipping point to all other points in the country on different classes of merchandise. These tariffs are filed alphabetically by the names of the companies issuing them. The most approved file now in use by the transportation companies and large shippers is arranged so as to bring all the tariffs into view, keep them in good condition, and permit the alphabetical filing of folders, with papers of different sizes.

In addition to the tariff files it is customary to keep a file of rate cards showing the express, freight, and parcel post rates to different localities. These are filed by states, the towns being arranged alphabetically under each state.

Tracers and claims. In case goods are delayed, damaged or lost, the traffic department sends out tracers or presents claims for damages. A card index covering claims against the transportation companies is maintained. A card for each tracer and each claim is filed alphabetically under the consignee's name. Each card bears the same number as the original order. Correspondence about the claim is also filed under that number.

The transportation companies are sometimes slow about settling claims and unless they are followed up the claims may be sidetracked. The correspondence may be filed chronologically with information as to its location on the card, or adjustable signals may be used on the card to show the date when the claim is next to come up for attention.

SHIPPING STANDARDS

The functions of the shipping department

1. The purpose of the shipping department is to check, pack, route and deliver shipments to the transportation company.
2. This department is important because it is the last place an order stops before it goes to the customer.
3. The shipping department is, therefore, often responsible for the satisfaction or dissatisfaction of the firm's customers.
4. To insure that the right quantities are delivered, the shipment is checked against a copy of the order.

5. The method of packing shipments is determined by the character of the goods shipped, the mode of transportation, the distance to be traveled, and the legal or other requirements.

6. A stove handle might be safely shipped if wrapped in a piece of burlap.

7. An expensive cut glass dish might require a substantial container built for the purpose, and carefully stuffed with excelsior.

8. Packages containing breakable articles should be marked "glass" or "handle with care."

9. Packages containing fruits or flowers should be marked "perishable."

10. The person making a shipment is called the shipper or consignor.

11. The person to whom the shipment is addressed is called the consignee.

12. The transportation company is called the carrier.

13. All packages should be plainly marked with the names and addresses of both the consignee and the consignor, as well as the name of the carrier.

14. In many offices, the label is made out in the order department, to insure the correct address.

15. In some concerns, the shipping clerk decides the route by which shipments shall be made.

16. In very large concerns, a traffic department determines the routing of shipments.

SHIPPING STANDARDS

Parcel post, express, and freight shipments

1. Express shipments are much faster than freight, and often faster than parcel post mail.

2. Freight is probably the slowest method of shipping, and also the least expensive.

3. First-class mail is probably the quickest method of shipping, and also the most expensive.

4. Parcel post, express, or freight shipments, may be sent c. o. d.

5. Packages sent by parcel post must not be sealed and must be wrapped so as to make possible inspection of the package.

6. Parcel post packages must not contain any written matter; writing would subject the whole parcel to first-class postage, as would also sealing.

7. Express shipments may be sealed and may contain writing, but not letters nor messages, unless they are old.

8. Shipments weighing over 100 pounds are usually sent by freight, because it is less expensive.

9. Packages weighing from 1 to 50 pounds may be sent by parcel post, provided the combined length and girth is not over 84 inches.

10. Packages costing less than 10 to 20 cents to send are usually shipped cheaper by mail.

11. Packages costing over 20 cents to send may often be sent cheapest by express.

12. The postoffice will deliver parcel post packages, but it will not call for them.

13. Freight shipments must be delivered and called for at the freight house.
14. The express company will call for packages and will deliver them.
15. Therefore, if the local delivery charges are high, it might pay to send by express.
16. It might also pay to send by express if quick delivery is desired.
17. Sometimes whole carloads of materials are shipped by express when quick delivery is required.
18. Parcel post charges must be prepaid.
19. Express and freight shipments do not have to be prepaid, but may be sent charges collect.
20. The postoffice does not give a receipt for mail matter unless registered or insured.
21. Express and freight shipments are receipted for by the carriers.
22. A bill of lading is made out in triplicate for freight shipments.
23. The original bill of lading is signed by the freight agent, and is usually sent by the consignor to the consignee, entitling him to claim the shipment.
24. The duplicate bill of lading is signed by the consignor and kept by the carrier.
25. The triplicate may be kept by the consignor as a memorandum of the shipment.
26. The original bill of lading is negotiable and may be sold or transferred as often as desired.
27. When the consignee receives his shipment from the freight house, he signs a receipt showing that he has received his goods, and he receives a receipted bill showing the amount of the freight charges.
28. When goods are shipped to a foreign country, the consignor makes out a manifest showing the value of the goods for the benefit of the custom-house officers.

SHIPPING STANDARDS

How to ship by express

The following suggestions on express shipments are adapted from a folder published by the Adams Express Company:

1. Poorly packed shipments mean dissatisfied customers, and prompt claim adjustments, at best, merely conciliate, but rarely satisfy.
2. Express shipments should be so packed as to withstand reasonably quick handling, and successful shippers consider careful packing a duty to their customers.
3. The money saved by inadequate packing rarely equals the profits lost through dissatisfied customers.
4. Pack glass and fragile articles in wooden boxes or strong corrugated paper cartons, using plenty of excelsior or similar packing, and mark the word "glass" on the outside of the container.
5. Obliterate old marks on boxes or wrappings—they frequently send packages astray.

6. Heavy packages of merchandise should not be wrapped in a single thickness of thin paper and tied with a light string, because the most careful handling cannot then prevent delivery in a torn and damaged condition, a common cause of complaint.

7. Put your name and address on the outside of the package under the word "from." Put your name and address and the name and address of the consignee inside the package as well as on the outside. Then, if the outside mark is lost or destroyed, this will help to prevent delay in delivery.

8. Do not use tags if the condition of the package will permit marking with ink.

9. Castings and similar heavy shipments should be marked with two or more strong tags attached by wire.

10. Raw furs or skins, if in hand-made bales, should be securely stitched in burlap or bag, and marked on a smooth wooden strip sewed flat to the bale. The oil in the skins will destroy any ordinary marking.

11. Always use the correct street and number for shipments going to large cities.

12. Because of similar town names, the county should also be shown on all shipments. Abbreviations are misleading—spell out the names of states as well as names of cities and towns.

13. Send money and jewelry in sealed packages through the money department of the express company, and never in unsealed packages.

14. If the express charges are prepaid, mark the shipment plainly "prepaid." If the package is marked with a tag and the address is also written in other places on the package or on more than one side of the package, write the word "prepaid" wherever the address appears. This will prevent collecting charges twice.

15. If a shipment is sent c. o. d., mark the package plainly c. o. d., and the amount. Unless specific instructions to the contrary are given by the shipper, the charge for collecting and remitting the money will be collected from the consignee. The shipper's name and address must be plainly shown on a c. o. d. shipment.

16. Canada Business—If a shipment is destined to Canada, the owner's or agent's manifest, in the form ordered by the United States Department of Commerce and Labor, must be filled out and forwarded with the shipment. Duplicate invoices in the form ordered by the Canadian Minister of Customs must also be furnished by the shipper. Mark the value on the outside of all shipments to Canada.

SHIPPING STANDARDS

Points of law

1. Receipts should always be preserved for a reasonable length of time, as they may be needed in case of dispute, loss or accident.

2. Common carriers are always held responsible for the loss of packages caused by carelessness of their agents.

3. Parcel post is carried by the government but its delivery is not guaranteed, nor will losses be made good, unless the parcel is insured. The government is not a common carrier.

4. If goods are lost or stolen or burned in transit, the carrier is the loser.

5. If the loss is caused by "an act of God or a public enemy," the shipper would be the loser.

6. Losses caused by lightning, floods, or cyclones, would, therefore, be at the expense of the shipper.

7. A loss by fire would be at the expense of the carrier, because it could be prevented; but a loss by fire caused by lightning would be "an act of God."

8. The delivery of goods may be stopped if the consignee becomes insolvent while the goods are in transit.

9. If, however, the consignee has received the bill of lading and transferred it, the buyer has a good title, and the goods cannot be claimed by the consignor.

10. A common carrier is not allowed by the government to discriminate against any person by allowing rebates or different freight rates.

STANDARD QUESTIONS

The functions of the shipping department

1. What is the purpose of the shipping department?
2. Why is this department important?
3. What connection exists between the work of the shipping department and the possible satisfaction or dissatisfaction of customers?
4. How are shipments checked for quantities?
5. What four factors determine how goods shall be packed for shipment?
6. Would you wrap a china dish the same way as a baseball bat?
7. How should packages containing breakable articles be marked?
8. How should shipments of fruits or flowers be marked? Why?
9. Who is the consignor?
10. Who is the consignee?
11. Who is the carrier?
12. Is the postoffice a carrier? Why or why not?
13. What instructions would you give about addressing a package intended for express shipment?
14. Who decides by what route shipments are made?
15. What are the duties of the traffic department?

STANDARD QUESTIONS

Parcel post, express and freight shipments

1. What is the fastest way to ship goods?
2. What is the cheapest way to ship? Why?
3. What is the most expensive way to ship? Why?
4. How would you route a shipment you wanted to send c. o. d.?

5. Can you name some of the restrictions upon parcel post shipments?
6. Can express shipments be sealed? And contain writing?
7. How are heavy packages best shipped? Why?
8. What kind of packages may be sent by parcel post?
9. When would you ship by parcel post? by express? by freight?
10. What are the relative advantages and disadvantages of mail, express, and freight shipments with respect to delivery? cost? speed? payment of the charges? receipt for shipments?
11. Under what conditions is express shipment preferred?
12. Are large quantities of materials ever shipped any way except by freight? If so, why?
13. How should a package containing written instructions be shipped?
14. How should a package be sent if the purchaser is to pay charges?
15. How should a small package on which you do not care for insurance be sent?
16. What is a bill of lading?
17. Is the bill of lading negotiable?
18. How many copies are usually made?
19. Why should the carrier's agent sign the original bill of lading?
20. Why should the consignor sign the duplicate bill of lading?
21. What becomes of the three copies of the bill of lading?
22. What is the freight bill?
23. Why should the carrier's agent sign one copy of the freight bill?
24. Why should the consignee sign the other copy of the freight bill?
25. What steps must be taken when shipping goods to Canada?

STANDARD QUESTIONS

Points of law in shipping

1. Should receipts be kept? Why?
2. Are carriers responsible for the loss of goods in transit?
3. Is parcel post a safe way to ship? Why or why not?
4. When are carriers responsible for the loss of shipments?
5. When are shippers responsible for the loss of shipments?
6. What is meant by "an act of God"?
7. What action can the shipper take if he learns his customer has become insolvent before the goods have arrived?
8. Suppose the consignee has received the bill of lading, and transferred it, what can the shipper do then?
9. Can you get different freight rates for the same class of service?
10. Can you get lower express rates than your competitor?

CHAPTER XI

THE ACCOUNTING DEPARTMENT

IN the accounting department we find one of the most interesting and important departments in the business. For it is in this department that records are kept telling how much money is received and paid out, and for what, who owes the company as well as whom the company owes, how much business the company is doing this year compared with last, this month compared with last month, and so on.

What this department does. The first task of the accounting department then is to keep certain records; and the second is to prepare reports for the manager, so arranged that they will show at a glance if the business is progressing or going backwards, if one department is doing especially well or poorly, and just what the profits or losses are. In this way the manager can pick out the weak spots and take steps to strengthen them at once. It is easy to see, therefore, how necessary it is for the work of this department to be absolutely accurate as well as timely.

The difference between bookkeeping and accounting. The first duty, keeping the records, is what we usually call bookkeeping—when we speak of accounting we mean both keeping the records and interpreting them.

Why the ledger is important. Perhaps the most important book which is used in keeping the records is the ledger, a page of which is shown in Figure 60. Probably every transaction that the company engages in will find a place in the ledger sooner or later, since it is from the figures in the ledger that reports are made showing the condition of the business. To make sure that these figures are correct, there must be some means of checking up their accuracy.

The essentials of double-entry bookkeeping. The double-entry system of bookkeeping which, with its many adaptations, is used almost universally at this time, provides this means. The name "double entry" comes from the fact that for every transaction two records are made in the ledger; that is, for every charge there is a credit, and for every credit there is a charge. This is clearly logical, because for every business transaction there are in reality two operations.

Suppose, for instance, that Henry Miller pays you \$80 on account. As a matter of fact, he pays the \$80, and you receive it. Both operations should be recorded; Henry Miller should be credited with \$80, and you should be charged with it. In the same way, if he buys from you \$9 worth of goods on account, he is charged with that \$9 and your merchandise or stock account is credited with it.

In the ledger there is a separate page for every account. There will be one page headed "Henry Miller," for instance; another "Irving Smith." Everything purchased by either of these men will be entered on the left or debit side; any goods which they return or any money which they pay, on the right or credit side. Besides accounts with people or concerns there are other accounts, headed "merchandise," "cash," "interest," "expense," "notes payable," and so forth.

Taking a trial balance. From the very fact that every item which is charged to one account is credited to another, it is clear that if the entries are correct, the books will balance. That is, the sum of the debit entries will equal the sum of the credit entries. At the end of each month, all the credit balances are listed in one column and all the debit balances are listed in another; if the totals of the two columns are equal, it usually proves that the bookkeeping has been correctly done. This is called "taking a trial balance."

After the trial balance is "taken," it is a comparatively simple matter to prepare statements for the manager. One of the most important of these summarized statements is the balance sheet, or some form of it. The balance sheet gives a complete statement of the condition of the business at any stated time. On page 156 is shown the balance sheet of a corporation.

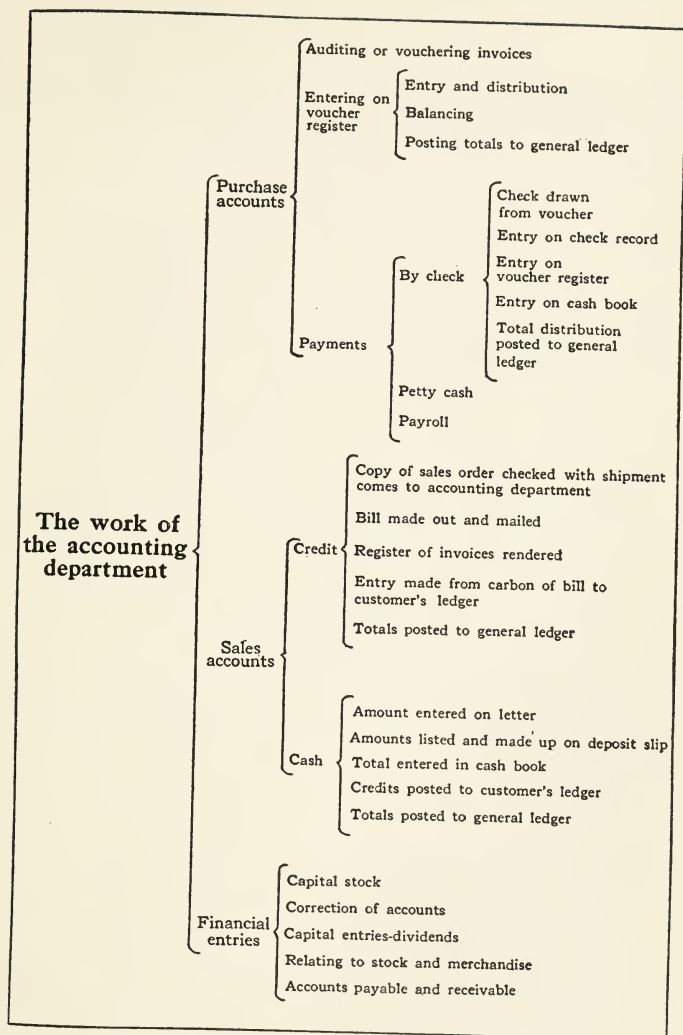


FIGURE 58: Studying this chart will make it very much simpler for you to learn quickly just what work is done in the accounting department, and how purchase accounts, sales accounts, and financial entries are handled. A good way to test your knowledge is to copy the chart, and then try to reproduce it from memory.

FIGURE 59: Only the debit or left-hand page of the cash book appears here. In the journal, debit and credit entries are made on the same page. According to the journal real estate was sold for \$1,000, since real estate is credited.

FIGURE 60: In Figure 59, cash is debited with \$72.53 paid by J. C. Hammond Company on account. Here is the ledger account showing a credit entry of \$72.53 and a debt entry of \$100. They still owe the difference, \$27.47.

The definition of "posting." Some firms do not enter their records directly in the ledger, but transfer the items from original books of entry, such as the journal, the cash book, the purchase book, and the sales book. This transfer of items to the ledger is called "posting."

The journal often serves the purpose of a diary. In it day by day transactions are lined up one after another in the order in which they occur.

In the cash book is entered an account of all money which comes in or goes out. On the debit side of this book are entered all amounts received; on the credit side all amounts paid out.

In the purchase book are entered all purchases made from outside concerns; in the sales book all sales made to outside individuals or concerns.

The special nature of a business may require other books; but these five—the ledger, the journal, the cash book, the purchase book, and the sales book—are the fundamental ones on which almost all other books or records are based.

Credit and collection records. Besides keeping the records which we have already discussed, another task often handled by the accounting department is that of keeping credit and collection records. Almost all business operates to a certain extent on a credit basis. This makes it necessary, of course, to know whether customers are trustworthy before selling them goods on credit, and all sorts of information has to be collected about customers or prospective customers from every conceivable source—from salesmen, from banks, from credit reporting agencies, and many others.

Some firms make out a card for each customer which gives the name, address, rating, ledger account number, and other useful information. Others simply place the credit rating at the top of the ledger account. One method is to place all the information concerning one firm in a folder and file it numerically.

Collection records are closely connected, of course, with credit records. Before granting more credit to a customer it is necessary to know if he has paid his previous bills promptly. For this reason collection records are usually placed under the same control as credit records.

As soon as a ledger account is opened it is necessary to adopt some systematic method of keeping after the customer until the bill is paid. For this purpose it is customary to use a special collection card containing all the available information on the case. The record is handled just like a follow-up method. By the use of signals on the card, attention may be called to the account whenever any action is desired.

The usual way is to send out a statement, followed if necessary by overdue notices or a sight draft, which is an order upon the debtor for the amount due. If these steps bring no results, form letters or special letters are sent before placing the account in the hands of an attorney for collection.

When to send statements. The right kind of statements mailed when due will do much toward keeping a credit business on a healthy basis. If statements are sent out at the end of the month, every effort should be made to see that they are mailed so as to reach the customer promptly on the first of the month. Laxness in sending bills, statements, and in following up collections only encourages the slow paying customer. When a customer knows that if he does not pay promptly, he may lose his credit standing, he is more likely to send the money when it is due than if he knows he can hold back indefinitely.

When an itemized statement is not required, the simplest plan is to give the dates and purchases with credits and amount due. Some firms send such a statement and attach carbon copies of each sales slip where itemized copies are desired.

Another plan which may be used is the daily-posting balance statement and balance ledger. Such statements may be mailed as often as necessary or without any loss of time at the close of the month. Banks particularly use a modification of a daily posting system.

Making up the payroll. Another regular task of the accounting department is "making up" the payroll. Since one of the largest costs in nearly every business is the cost of help, it is necessary to keep records showing the amount of work done and the salaries paid. Probably the commonest method is the use of a mechanical device for recording the time each employee starts work and finishes. Time-recording clocks are used in

Where to enter	A credit purchase	Outgoing cash		A credit sale	Incoming cash	
		Remittance on account	Cash purchase		Payment on account	Cash sale
Journal or record group of books				(1) Bill or register of sale		(1) Bill or register of sale
		(1) Cash book	(1) Cash book		(1) Cash book	(2) Cash book
	(1) Invoice register					
	(2) Journal			(2) Journal		
Ledger or balance group of books	(3) Individual ledger account	(2) Individual ledger account		(3) Customers' ledger	(2) Customers' ledger	
				(4) Accounts receivable	(3) Accounts receivable	
	(4) Accounts payable	(3) Accounts payable				
		(4) Ledger cash account	(2) Ledger cash account		(4) Ledger cash account	(3) Ledger cash account
	(5) Merchandise		(3) Merchandise	(5) Merchandise		(4) Merchandise

FIGURE 61: If you're looking for a quick way to learn where to make any book-keeping entry, you'll find this chart a great help. When you receive or pay out money, whether the transaction is for cash or for credit, your first entry is invariably at (1) under the proper heading, then at (2), and so on.

Statement of Condition							
		June 30 1918		July 31 1918		Increase	
Assets							
Plant and machinery							
Patents, good will, etc.							
Supplies and unfinished goods							
Accounts receivable							
Bills receivable							
Cash							
Total assets							
Liabilities							
Capital stock							
Accounts payable							
Bills payable							
Reserve for bad accounts							
Surplus							
Total liabilities							

FIGURE 62: The manager receives periodically a statement of condition. A comparison of total assets with total liabilities will indicate where the business stands. A banker asks for a statement of condition before lending money.

GREAT WESTERN RAILROAD BALANCE SHEET, DECEMBER 31					
ASSETS—		1917 \$	1916 \$	LIABILITIES—	
Road and equipment...	40,630,187		39,309,357	Common stock.....	12,707,941
Deposits in lieu of mort- gaged property sold, etc.			32,798	Preferred stock.....	12,962,392
Invested in affiliated companies:				Stock for conversion...	
Stocks.....	3,658,676		4,410,251	Common stock.....	253,500
Bonds.....	30		30	Preferred stock.....	33,200
Advances.....	362,123		362,123	Equipment obligations.	1,023,000
Other investments.....	501,835		501,835	Mortgage bonds.....	15,432,500
Cash.....	492,014		438,441	Receipts for funded debt	1,000
Special deposits.....			695,080	Loans and bills payable	350,000
Traffic, etc., balances...	30,682		51,250	Traffic, etc., balances	219,738
Agents and conductors.	258,087		160,416	Accounts and wages	393,882
Miscellaneous.....	168,842		139,397	Miscellaneous.....	83,700
Material and supplies...	244,092		218,524	Matured interest, etc...	124,690
Deferred assets.....	48,876		57,393	Accrued interest, etc...	143,429
Prepaid rents and insur- ance premiums.....	33,480		32,705	Accrued depreciation	409,356
Unadjusted debits.....	1,215		550	Additions to property through income and surplus.....	758,560
Securities issued or assumed (unpledged).	2,160		2,160	Profit and loss.....	1,441,795
Total.....	46,432,299		46,412,311	Total.....	46,432,299

FIGURE 63: Many very large corporations publish their balance sheets for the benefit of their stockholders, who may include not only private individuals, but also banks, trust companies, and in many cases even other corporations.

many establishments because of the simple method of recording the time of arrival and departure, or the time spent on any special assignment of work, by just punching a card. Other firms use cards on which the timekeeper punches or marks the hour of arrival and departure. The payroll is made up from these records which the timekeeper sends in to the office.

What cost accounting is. One branch of accounting which is attracting more and more attention is cost accounting. This is not so much a method of bookkeeping as it is a method of keeping records of the cost of materials, labor, and overhead (general or administration) expenses entering into the manufactured product. The cost records are usually handled in the accounting department.

The use of accounting machines. The work of the accounting department has been much simplified in the last few years by the invention of various accounting machines. This means that in many concerns bookkeeping is largely a mechanical process and the clerk simply learns how to operate the bookkeeping machine.

As one result of the extent to which modern labor-saving devices have been used in accounting and record keeping, it is now possible for a manager to know at 10 o'clock every morning all the details of his business for the previous day, so that he knows exactly where he stands. Formerly a business man considered himself fortunate if he could get a statement by the tenth of the month of the previous month's business.

The typewriter in the accounting department. The most commonly used machine for making accounting records is the typewriter, particularly in making out orders, bills, statements, looseleaf and card-index material. The most frequently employed record of the office is the totals of columns of figures, which may be accurately and quickly obtained by the aid of the non-listing adding machine. Where a list of the numbers added is desired, it is necessary to employ a listing machine.

If an itemized list is wanted with products, remainders, and totals, as in bills and statements, use a billing machine, which is a sort of combination typewriter and adding machine. When the work is completed, one operation has recorded the figures

in the desired column and found the necessary remainders and totals. As many as 12 copies may be made at one time, so that practically all of the operations involved in keeping the necessary records can be performed with a machine.

The statistical machine. One of the most interesting recording machines is known as the Hollerith. This is an automatic, electrically operated machine, which is employed by large establishments for compiling statistical information and statements. Cards containing figures representing special information are punched by means of the perforating attachment. These cards are all placed in the machine and assorted by it automatically, selecting only the cards containing the desired information, and rejecting the others.

To find any given total, the machine is set to operate only on cards with a certain perforation and the totals are given for such subjects. Where thousands of items are handled, this machine makes it possible to obtain in a comparatively short time, complete statistical records which otherwise would take weeks, months, or even years to compile. One machine will handle 15,000 cards an hour.

The billing machine. The billing machine is often an important time saver. When goods are purchased from the factory or wholesale house, the bill sent to the merchant is usually called an invoice. Duplicate sales slips are made at the time of purchase and a copy sent to the accounting department as soon as shipment is completed. "Itemized bills" are made out from these sales slips, showing the proper extensions and totals. If part payments are made or any goods returned, credits are shown in red ink.

The accounting department must not only be able to show that all the transactions of buying and selling are properly recorded, but the manager will want to know which transactions are profitable, and whether the business is increasing in volume without any unnecessary increase in expense. It is, therefore, evident that a ledger which is always in balance and will show a perpetual inventory of stock, is often very desirable.

This is made possible by means of the adding-subtracting ledger-posting machine. Both debits and credits are posted



FIGURE 64: Over 500,000 accounts are handled in the office shown here. In these filing drawers is a card for every account. The broad, flat drawers make it possible for the girls to handle the cards with a minimum of time and effort.



FIGURE 65: Statistical machines like these do the work that would otherwise require a whole army of bookkeepers and clerks. The machine in the foreground handles 250 cards a minute and an inexperienced girl can easily run it.

at one run, and the balance instantly calculated by the machine. This is, of course, a great time-saver as well as trouble-saver when it comes to making out monthly statements and trial balances. The machine is easy to operate.

Looseleaf and card-index systems. The use of looseleaf or card ledger systems makes possible the adoption of machine bookkeeping. Any number of clerks can work on the accounts at the same time; each account may be kept entirely independent of others, balanced, removed, or filed, as is found most convenient.

Looseleaf and card-index systems also permit the classification of accounts in a logical order and the expansion of business by the filing of the balanced or closed accounts and the insertion of new sheets without the expense and labor of opening new books.

One point to remember is that the records kept by the accounting department or by any other department, for that matter, are not kept for the sake of keeping records. They are worth while only as they help to indicate the condition and progress of the business. Study Figure 66 carefully.

Reports for the executive. The executive must watch all departments, large and small; he must watch men and their work; he must watch routine work—the amount, the cost, the time required, and the method used—whether it is buying or selling, production or administration. Reports furnished him by the accounting department will enable him to do so as no other method could. He can compare this week's costs with last week's and with the same week a year ago—he can compare one department's progress with another—he can place his finger on weak spots and apply a proper remedy to whatever condition is below normal.

ACCOUNTING STANDARDS

The work of the accounting department

1. Three important kinds of records are kept in the accounting department: cash received and paid out; the amounts due and the amounts owing; the volume of business done and the cost of doing it.
2. In addition to keeping records, the accounting department also prepares statistical reports for the manager.
3. Sometimes a separate statistical department prepares the reports, especially in very large corporations.

4. Three of the facts brought out by these reports are the progress of the business, the progress of departments, and the profits and losses.
5. The manager studies these reports to pick out the weak spots and to take steps to strengthen them.
6. Statements of accounts should be mailed regularly and on time.
7. A simple form of statement is one giving the dates and the charges, with the credits and the balance due.
8. Many banks use ledger-posting machines, enabling them to obtain balances whenever desired without loss of time.
9. Payroll records are made up from the time cards of the employees.
10. Cost accounting shows the cost of materials, labor, and overhead expenses entering into the manufactured product.
11. Records are not kept for the sake of keeping records.
12. Records are worth while only as they help to indicate the progress and the condition of the business.

ACCOUNTING STANDARDS

Elementary principles of bookkeeping

1. Bookkeeping is the keeping of records.
2. Accounting is the interpreting of records.
3. The ledger is probably the most important record in bookkeeping.
4. The double-entry system of bookkeeping helps to make the ledger more accurate.
5. In double-entry bookkeeping, two entries are made in the ledger for every transaction: for every charge there is a credit, and for every credit there is a charge.
6. The looseleaf ledger has a separate leaf for every account.
7. The left-hand side of the ledger is called the charge or debit side.
8. The right-hand side of the ledger is called the credit side.
9. When the total credit entries of all accounts are equal to the total debit entries of all accounts, the ledger is said to be in balance.
10. The operation of comparing the credit totals with the debit totals is called taking a trial balance.
11. The balance sheet is a statement of the assets and liabilities of a business. It shows the condition of the business at any stated time.
12. Entries are usually transferred to the ledger from some other source, such as books of original entry.
13. The transfer of items from the books of original entry to the ledger is called "posting."
14. The four commonest books of original entry are the journal, the cash book, the purchase book, and the sales book.
15. In the journal the transactions are lined up one after another as they take place.
16. Each transaction is represented by two items in the journal, a credit item and a debit item.

17. In the cash book is recorded all money received and paid out.
18. Cash received is entered on the left or debit side of the cash book.
19. Cash paid is entered on the right or credit side of the cash book.
20. In the purchase book are entered all purchases made from others.
21. In the sales books are entered all sales made to others.
22. These five books—the ledger, the journal, the cash book, the purchase book, and the sales book—are the fundamental books on which all others are based.

ACCOUNTING STANDARDS

Credit and collection records

1. Since a large part of business is done on a credit basis, certain records must be kept to determine whether customers are worthy of credit.
2. Some of the sources of information about customers are salesmen, banks, newspapers, trade journals, and credit reporting agencies.
3. Different firms use different credit records.
4. One firm records credit information on a 3 by 5 inch card, giving the name, address, rating, ledger account number, and other useful or interesting information.
5. Another firm places the credit rating at the top of the customer's ledger account.
6. Still another firm places all credit information concerning customers in letter-size folders, filing them numerically.
7. A collection record is used to watch payments on accounts, in order not to let the account run too long before it is "cleaned up."
8. One method is to use a special follow-up card showing the dates notices are mailed, or the calls made by the collector; the payments made; the balances due; any special action taken, and so forth.
9. By the use of tabs or signals, attention may be called to any account card whenever desired.
10. Collections should be followed up carefully and firmly.

ACCOUNTING STANDARDS

The use of labor-saving devices

1. The use of labor-saving devices in the accounting department makes it possible for a manager to know every morning at 10 o'clock all the details of the previous day's business.
2. The use of looseleaf and card ledger devices makes possible the use of machines in bookkeeping.
3. These devices also permit the logical classification of accounts and other information.
4. The typewriter is used in writing orders, bills, statements, looseleaf and card-index records.
5. Columns of figures are added on adding machines.
6. A non-listing adding machine simply adds the figures, giving the total.

7. A listing machine not only adds the figures, but also prints each figure on a slip of paper, thus furnishing a check.

8. A billing machine is a combination typewriter and adding machine.

9. With a billing machine you can obtain a printed list of items, with products, balances, and totals.

10. The Hollerith statistical machine is used to compile statistics where a large number of figures is handled. This machine sorts punched cards at the rate of 15,000 an hour.

STANDARD QUESTIONS

The work of the accounting department

1. What is the purpose of keeping books?
2. What kinds of records are kept in the accounting department?
3. What must records show to make them worth while?
4. Why is it necessary for executives to receive frequent reports of the condition of the business?
5. What three important facts are brought out by the reports prepared for the manager?
6. What does a simple statement of account include?
7. Why are monthly statements sent to customers?
8. If the accounting department should be especially busy one month, would there be any objection to putting off mailing the statements until the next month?
9. What is cost accounting?
10. Why is accuracy so necessary in keeping books?

STANDARD QUESTIONS

Elementary principles of bookkeeping

1. What is the difference between accounting and bookkeeping?
2. What is the journal?
3. What is the cash book?
4. What is the ledger?
5. What is the purchase book used for?
6. What is the sales book used for?
7. What are the four commonest books of original entry?
8. What is meant by debit and credit?
9. Which side of the ledger is the debit side? The credit?
10. What is the most important set of records in bookkeeping?
11. What is the double-entry system?
12. What is meant by "posting"?
13. On which side of the cash book would you enter cash received?
14. On which side would you enter cash paid out?
15. What are assets?
16. What are liabilities?

17. What is the trial balance and what does it show?
18. When is the ledger in balance?
19. What is the balance sheet?
20. What does the balance sheet tell you about the business?

STANDARD QUESTIONS

Credit and collection records

1. Why is it necessary to keep credit records?
2. Do all firms use the same kind of credit records? Why or why not?
3. Name three methods by which credit records are kept.
4. What are four sources of information about customers?
5. What is the purpose of collection records?
6. What methods are used by three different firms to watch overdue accounts?
7. How may attention be called to an account at any desired time?
8. Why should collections be followed carefully and firmly?
9. If a customer ignores a statement, what can be done?
10. What final step may be taken to enforce payment?

STANDARD QUESTIONS

The use of labor-saving devices

1. Name four machines that have simplified to a considerable extent the bookkeeper's work.
2. What are the advantages, if any, of looseleaf ledgers?
3. For what purpose may the typewriter be used in the accounting department?
4. What does the adding machine do that the bookkeeper used to do?
5. What is the difference between a listing and a non-listing adding machine?
6. What is a billing machine?
7. What machine is used for compiling statistics?
8. What are several methods used commonly for making up the payroll?
9. How are statements made by machinery?
10. Is bookkeeping by machinery more accurate or less accurate than other methods? Why or why not?

STANDARD EXERCISES

The use of labor-saving devices

1. Make a list of all the uses of a typewriter in the accounting department.
2. Make a list of all the uses of a typewriter that you can recall, either in the accounting department or in any other department.
3. Make a list of any other uses you can imagine a typewriter might be used for.

4. Make a list of the jobs an adding machine can do, distinguishing between adding machines for different purposes, and explaining how each kind is particularly fitted for certain work.

5. Make a list of all the different office machines you ever saw or heard of, and place in one column all those that can be used in the accounting department, explaining how each machine is used.

STANDARD EXERCISES

The work of the accounting department

(Questions similar to these are asked by the New York State Board of Examiners as a test in speed, accuracy, and accounting.)

Make up the payroll from the following time sheet, filling in the columns "total hours" and "wages due" and totaling the last column.

Time Sheet for Week Ending Jan. 13

No.	Name	Time in hours						Total	Rate per	Wages
		M	T	W	T	F	S	hours	hour	due
1	Jones, L. C.....	9	7	2	4	8	8		.40	
2	Brown, G. W....	7½	8	9½	2	7½	3		.24	
3	Boylan, C. C....	3	4	5¾	6½	5	6¾		.32	
4	Eastman, A. B..	7¾	6½	7	8	7½			.32	
5	Cook, E. A.....	7½	8	8½	9¼	6¾	9		.25	
6	Winslow, W. W..	9	7¾	9	8½	8	7¾		.48	
7	Fenno, L. M....	8¼	7½	8¼	8	7¾	8¼		.22½	
8	Rogers, W. T...	8½	9	8½	7¾	10	8¼		.15	
9	Gray, L. P.....	8¼	8	8¾	6¾	8½	7¾		.12½	
10	Baird, J. G....	7¼	8¾	7½	8½	8¾	9½		.20	
11	Bills, C. E.....	10	10	5½	8¾	8½	6¼		.50	
12	Jeffers, G. R....	7¾	8½	7¾	8	9	0		.33⅓	
13	Patton, W. L....	8	7½	8½	10	8½	9		.60	
14	Bliss, G. G.....	7½	8¼	8	9½	7	7¾		.75	
15	Day, R. G.....	8½	9	8¾	7½	8	8¼		.25	
16	Grant, E. F....	7¾	8¼	7¾	9	6¾	8½		.37½	
17	Newman, F. C..	8	6¾	7½	6¾	9½	9		.40	
18	Glass, J. G.....	7½	8½	9¾	9¼	12	9		.62½	
19	White, C. C....	8¾	7	8¼	9	7	8½		.30	
20	Black, B. W....	8	7½	9	7¼	8	8	1.00		
21	Green, J. G....	7½	7	6½	8	7¾	8¼		.45	
22	Ayers, C. B....	6	8½	5	7½	6	2		.35	
23	Wylie, H. H....	8	9	8¼	6¾	7½	8½		.42	
24	Hunt, L. S.....	9¾	8¾	8¾	8¾	7¾	8¼		.52	
25	Howe, S. C.....	8	7	7	9	8	7		.55	

Total payroll for the week.....

STANDARD EXERCISES

Computations in the accounting department

Find the value of:

1.	47	doz. gloves.....@	\$6.70	a doz.....
2.	88	doz. collars.....@	.73	a doz.....
3.	7½	doz. ties.....@	4.50	a doz.....
4.	93	doz. buttons.....@	.09½	a doz.....
5.	55	doz. pencils.....@	.44	a doz.....
6.	508	lbs. nails.....@	3.05	a cwt.....
7.	105	lbs. wire.....@	1.25	a cwt.....
8.	525	lbs. guano.....@	5.25	a cwt.....
9.	498	lbs. oatmeal.....@	4.92	a cwt.....
10.	993	lbs. feed.....@	8.95	a cwt.....
11.	825	fence posts.....@	8.25	a C.....
12.	750	bolts.....@	3.50	a C.....
13.	1,275	paving stones....@	12.75	a C.....
14.	6,400	fence posts.....@	8.80	a C.....
15.	5,235	paving blocks....@	10.89	a C.....
16.	1,224	tiles.....@	10.05	a M.....
17.	5,500	ft. lumber.....@	37.00	a M.....
18.	15,750	bricks.....@	15.75	a M.....
19.	13,600	shingles.....@	13.40	a M.....
20.	12,345	iron posts.....@	9.66⅔	a M.....
21.	8,900	lbs. coal.....@	16.20	a T.....
22.	6,400	lbs. feed.....@	88.00	a T.....
23.	4,400	lbs. hay.....@	16.40	a T.....
24.	305,000	lbs. bran.....@	15.25	a T.....
25.	13,434	lbs. iron ore.....@	10.33⅓	a T.....

STANDARD EXERCISES

Elementary principles of bookkeeping

1. With pen and rule show a cash-book page; a journal page; a ledger page.
2. James Black owed Allison & Company \$325.70 according to a statement rendered the last of the month. Black purchased merchandise on the 8th to the amount of \$300.60, was credited with merchandise returned \$12.40 on the 9th. Paid cash \$300 on the 15th. Purchased merchandise on the 12th to the amount of \$460.25 and paid cash \$361.90 on the 29th. How much balance would his statement show?

3. (a) From the following debits and credits make a trial balance:

Proprietor Cr. \$5,522.16; Cash Dr. \$10,640, Cr. \$7,577; Mdse. Dr. \$6,848, Cr. \$5,290; Expense Dr. \$842, Cr. \$25; Interest Dr. \$8.56, Cr. \$6.40; Notes receivable Dr. \$630, Cr. \$425; Accounts Receivable Dr. \$8,462, Cr. \$7,240; Notes Payable Dr. \$465, Cr. \$630; Accounts Payable Dr. \$5,240, Cr. \$6,420.

(b) Make a trial balance by differences, using the same debits and credits.

4. If your statements show the following, what is the condition of the business? Which are assets and which liabilities? Draw up in the form of a balance sheet.

Notes payable.....	\$425
Accounts payable.....	5,420
Merchandise worth.....	6,200
Cash on hand.....	4,200
Notes receivable.....	837
Accounts receivable.....	6,280

5. What is the condition of the following business? Draw up in the form of a balance sheet:

Merchandise on hand.....	\$1,240
Cash.....	460
Coal on hand.....	120
Accounts receivable.....	320
Notes receivable.....	640
Notes payable.....	1,225
Accounts payable.....	1,750

STANDARD EXERCISES

Credit and collection records

1. Design a looseleaf system for gathering credit information, and explain the meaning of each item.
2. Design a card system for watching collections and explain how it is used.
3. Design a complete collection system, explaining in detail how it operates.
4. Explain how you would find the rating of a customer, and what that rating means.
5. Design a form of daily report for the accounting department to make to the general manager, showing the status of collections.

CHAPTER XII

THE TREASURER'S OFFICE

JUST as the treasury department in Washington has charge of the government treasure or funds, so the treasurer of a concern, or the person who fulfils the duties of that office, has supervision over the concern's money matters. He is responsible for the funds of the company. In order, therefore, to enable us to understand just what the treasurer does and how his assistants can help him in the most effective way we ought to have a pretty clear idea of just what is meant by the word "funds."

What are "funds?" "Funds" is a rather general term applied to the money and securities of a concern. It covers all forms of money, from what is in the cash drawer—including checks, currency, bills, notes, drafts, and so forth—to all the bank deposits, and loans, as well as the investments in the stocks, bonds, and commercial paper of other concerns. The treasurer may therefore well be entitled to be called the financial manager of a company, or the manager of its finances and financial matters.

The meaning of finance. "Finances" is an attractive sounding word, but its meaning is really quite simple, and when we say that the treasurer is the manager of the finances, we mean merely that he is the man who looks after the money matters. Now, of course, for one man to attend to all the money matters of a concern of any size would be impossible; therefore he delegates parts of his work to others, especially the greater part of the accounting, which is handled by the accounting department. Of course, the number of people on the treasurer's staff will depend to a great extent upon the size and nature of the business.

What the treasurer's office does. If we were to outline the duties of the treasurer's office, it would look like this:

- (1) provision of funds for carrying on the company's business
 - (a) capital
 - (b) current expenditures
 - (c) loans
- (2) care of and responsibility for the company's funds
 - (a) receiving moneys
 - (b) accounting for moneys
 - (c) depositing moneys in the bank
 - (d) disbursing moneys
 - (e) investing surplus funds
- (3) representing the company in dealings with the bank
 - (a) borrowing
 - (b) collections through drafts, acceptances
 - (c) discounting bills
 - (d) advice and information
- (4) care of the company's property
 - (a) insurance
 - (b) rents
 - (c) taxes
 - (d) repairs
 - (e) improvements

The accounting department, as we learned in an earlier lesson, handles most of the bookkeeping connected with some of these duties, and the cashier handles the cash received, acting for the treasurer in doing so. But the responsibility rests with the treasurer. No money can be paid out without his authority, and he is constantly on the watch to see that the company's property is at all times conserved.

Since many of the treasurer's duties are usually outlined clearly in the by-laws of the company, it may help you to get a set of corporation by-laws and study them carefully.

Why capital must be provided. Without money a business cannot run. This seems so obvious as to be almost unnecessary to state as a fact, but you would be surprised if you knew how many concerns commence business with insufficient capital, and are handicapped for lack of money. Hence the first step in commencing business is to provide the capital. This is usually the treasurer's first job. In fact, as the business expands, the treasurer may be asked to find new capital.

How capital is obtained. Capital is provided usually by the sale of stock or bonds or shares. In a partnership the partners furnish the capital. One partner may furnish the money and the other the experience. The partner who furnishes the money often acts as treasurer. The treasurer must not only obtain the capital, but he must also see that the money is spent for the purpose for which it was obtained.

Even after a company has started business, it may require, and usually does, varying amounts of money for temporary use. It would be unwise for the treasurer to sell the company's stock to get money for temporary purposes, so he borrows the money needed at a bank.

Borrowing money from the bank. Just why a successful concern should borrow money may not be clear to you. Nearly all business houses use borrowed money to meet their obligations, simply because it is the least expensive method. A concern will borrow money at 6% interest if it is reasonably certain that it can make 8% or more with that money before the loan is repaid.

Take the simple proposition of paying a bill—assuming that the terms are 2% for cash within 10 days. Now suppose that the treasurer has not sufficient cash in the bank to meet the bill. The company's money is not idle; on the contrary it may be earning such liberal profits that to use it for paying that particular bill would be false economy. The treasurer therefore borrows money from the bank, pays the bill, takes the 2% discount, and within 30 days repays the loan to the bank at a cost of $\frac{1}{2}$ of 1% as against the 2% which he earned by paying the bill promptly.

In the course of a year a concern may make several loans from its banks, and the treasurer is usually the man who deals with the bank—he “negotiates” the loan, watches the due dates to see that the loan is repaid promptly, and keeps the firm on cordial relations with the bank.

Making payments by check. The treasurer also sees that the deposits in the banks are maintained at a proper level. Some banks require a deposit to be at least \$1,000 and others more or less than that sum. Practically all firms pay their

bills by check, and the treasurer makes sure that the checks he signs are correct, not too much and not too little.

One way in which this accuracy is assured is to attach to the check a "voucher" which is simply a form stating exactly what the money is paid for, and who approved the amount. Thus, in case of error, the mistake can be quickly traced to the one responsible. In some companies two persons sign the checks; either the auditor signs with the treasurer, or the president, or the secretary.

Many concerns use their banks to get cash in advance for money due them. This money may be in the form of loans and accounts receivable, notes receivable, drafts, or trade acceptances. In borrowing money on accounts receivable the treasurer takes to the bank a list of the firm's accounts receivable. If the banker thinks they are good he will make a loan on them, with the understanding that when the bills are paid the money is to be used to repay the loans.

What a note receivable is. A "note receivable" is a note given to the firm by someone who owes the firm money. Usually notes receivable run for 30, 60, or 90 days, although they may run for two, three, or even four years. If the firm waited until the note was due, it would be 30, 60, or 90 days before it could get the money. If it wants the money before "maturity," the treasurer simply takes the note over to the bank, and "discounts" it; that is, the bank lends him the amount the note calls for, less the interest for the period stated. As the maturity date approaches, the bank notifies the maker of the note that his note is coming due, and that he should be prepared to pay it. Of course, if the maker "dishonors" his note by refusing to pay it, then the treasurer will be under obligations to make good the loss to the bank.

Watching collections. The treasurer keeps a watchful eye on collections. The usual terms on which goods are sold are 30 or 60 days. Sometimes to encourage prompt payment a discount of 1% or 2% is allowed if the bill is paid within 10 days. But if the bill isn't paid at the end of 30 or 60 days, the treasurer takes steps to collect the money. Often he does this through the collection department of the firm.

An account may run so long that drastic measures may have to be taken to make the debtor pay. One of the first steps is to write the debtor that if the account is not paid by a certain date, the company will draw on him through his bank. This often has the desired effect, since few men like to have their banks present drafts to them, as it implies a lack of credit. If this notice does not get the money, the treasurer draws a draft on the debtor and sends it to the bank for collection. The bank presents it to the debtor and asks for payment. A draft is an order upon the debtor to pay to the creditor the amount due; it is signed by the creditor.

If the debtor decides to pay the draft, he writes his name across the face, together with the word "accepted" and the date. If he doesn't wish to pay it, he says so, or else doesn't pay any attention to it, and the bank then returns it to the treasurer, who decides the next step to take to get the money.

Investing surplus funds. One of the duties of the treasurer's office is the investing of the surplus funds of the company. By "surplus funds" is meant the money which the firm is not using or is not likely to use in the near future. If these funds were allowed to lie idle, the company would lose interest on its money, and it doesn't take long for interest to amount to a respectable sum. When you realize that the interest of \$100,000 is over \$16 for only one day at 6%, you can readily see that the question of investing surplus funds is important.

In deciding just how he shall invest these funds, the treasurer considers three points in this order: marketability, safety, and yield. Marketability comes first because if the concern should need money in a hurry the first place to turn would naturally be its investments; the treasurer wants something he can sell or borrow on at a moment's notice.

Next comes safety of principal. With most people not in business, safety comes first, but a business man can afford to take chances that another person could not. He can watch market prices closely, and if he sees values decline he can "switch" his investments, or take his money out entirely until he is ready to invest it again. Hence safety is a secondary consideration with the business man.

The yield on the investment. Third comes the yield on the investment. Anybody can get 2% at a bank; some banks pay 3% and even 4%. High-grade bonds can be bought to yield from 3% to 8%; stocks yield from 5% to 25%. The higher the yield the less the safety; but the treasurer watches the stock market very, very closely, and if an opportunity comes along to buy a stock paying 8% to 15% with a good market, he buys the stock, first making sure that the security to be purchased has a good market so that it may be easily sold if found necessary.

Or he may get a chance to buy a bond yielding 8% to 10%. Some concerns prefer to buy bonds instead of stocks, because the market value of bonds varies very slightly compared with the violent changes in stock prices, and usually bonds can be sold for very nearly what was paid for them. This is all a matter of judgment, and the treasurer must be on the job every minute of the day.

If the company owns real estate and buildings, the treasurer has still further duties. He sees that the taxes are paid when they're due, the rents collected if there are tenants, repairs made where necessary, and attends to the making of improvements if desirable.

How this chapter can help you. Although the functions of the treasurer's office have been described rather fully in this lesson, the object is not to teach you how to become the treasurer of a big corporation right away, but to show you the meaning back of all your work, which may include making out checks and deposit slips, bills and drafts, inspecting, recording, or filling in various kinds of blank papers such as notes, mortgages, deeds, leases, stocks, bonds, contracts, insurance policies, and commercial drafts, all or many of which are or will be used by the concern which employs you,

If you are able to appreciate fully the ultimate effect of your work, you are able to perform it much more carefully and intelligently than if you are simply "working." Furthermore, in an emergency, your knowledge of financial matters might become of valuable assistance to your firm and thereby to yourself also.

FINANCIAL STANDARDS

The work of the treasurer's office

1. The treasurer supervises the money matters and is responsible for the funds of his company.

2. The term "funds" covers all forms of money, including checks, notes, drafts, bank deposits, loans, stocks, and bonds.

3. Many of the treasurer's duties may be delegated to others.

4. The four principal duties of the treasurer are the provision of funds for carrying on the business, the care of and responsibility for the company's funds, representing the company in dealing with the bank, and the care of the company's property.

5. Nearly all firms pay their bills by check.

6. All checks of the company are usually signed by two persons, of whom the treasurer may be one.

7. The treasurer watches collections very closely, and is usually the final authority on the action to be taken with bad accounts.

8. "Surplus funds" signifies money which is not being used or is not likely to be used in the near future.

FINANCIAL STANDARDS

Elementary principles of finance

1. Capital for new ventures is usually provided by the sale of stocks and bonds.

2. Bank loans are made ordinarily for temporary purposes only.

3. A bond is a note under seal, and usually runs for a term of years.

4. A bank loan may be made on demand, or it may run for 30, 60, or 90 days, but seldom longer than four or six months.

5. Loans which run for a specified period are called time loans.

6. Call loans must be paid the day they are called for.

7. A note payable on demand is due as soon as the demand is made.

8. A note dated on Sunday is void in some states.

9. If a note falls due on Sunday, it is payable either on Saturday or Monday according to the state law.

10. You can obtain cash on a note before it is due by discounting it at the bank.

11. If partial payments are made on a note, they should be noted on the back of the note.

12. If a note is not returned when paid, it might be collected a second time if it were in the hands of a bona fide holder.

13. The legal rate of interest is 6% usually, but the laws of some states permit higher rates.

14. Usury is charging a higher rate of interest than the state law permits.

15. In some states the interest is forfeited if usury is practiced.

16. In some states the principal and interest are forfeited by usury.

17. In some states there are no usury laws and no penalty for usury.

18. Bank loans are made either on collateral or some other security.
19. Collateral means notes, contracts, stocks or bonds deposited with the bank to secure loans.
20. On collateral loans only one signature is required.
21. On loans without collateral two or more signatures are often required.
22. The signer of a note is called the maker.
23. The indorser of a note does not sign his name on the face of the note, but on the back.
24. If two persons sign a note, each is held responsible for the full amount.
25. If, however, one man signs the note and another man indorses it, the indorser is responsible only in case the maker does not pay.
26. Each additional indorser on a note is responsible only in case the maker or the preceding indorser fails to pay.
27. A note signed by a firm may be collected from either partner.
28. A note signed by a minor cannot be enforced.
29. A man who cannot write can sign a note by making his mark.
30. A note given by a man who cannot write should be witnessed.
31. If a man carelessly signs a note which he thinks is some other paper, he is liable.
32. A note written with pencil on a scrap of paper is good.
33. A note obtained through forgery cannot be collected, even if it is in the hands of an innocent purchaser.
34. If neither interest nor principal is paid for several years, the note may be outlawed.
35. The time for outlawing a note varies in different sections according to the state laws.
36. If an unpaid note is secured, it is as good as before it was due.

FINANCIAL STANDARDS

What you can do with checks

1. A check is an order on a bank to pay out money.
2. The one who signs the check is called the maker or drawer.
3. The one to whom the check is payable is called the payee.
4. Checks are usually made out on regular printed forms, but they may be written on any kind of paper if a blank check is not handy.
5. Checks written in lead pencil are good, but it is safer to use ink.
6. Before writing the check, fill in the stub.
7. In writing the date on a check, use the name of the month instead of the number.
8. A check payable to bearer could be cashed by anyone holding it. If lost, the finder could cash it.
9. The same is true of a check with the payee left blank.
10. You should never write a check payable to the bearer.
11. Make your check payable to cash if you wish to draw money from your own account.

12. The amount is stated in two places, once in figures, and once in writing.

13. Make your figures plain, and see that they agree with the written amount.

14. If the written amount does not agree with the figures, the writing is considered correct.

15. Write the amount plainly and carefully so that it cannot be changed in any way, shape or manner.

16. Do not change the amount, if you make an error. Write a new check.

17. If you write a check with gross carelessness and it is raised, you lose.

18. A check protector will help to prevent altering the amount. Large firms and banks always use them.

19. Some check protectors perforate the check; others penetrate the paper; others use an indelible ink. Colored checks on prepared paper aid in detecting erasures or alterations.

20. Write your signature plainly.

21. Write your signature the same way on all checks.

22. After writing a check see that it agrees with the stub in every way.

23. Forgery is the alteration of any written instrument without the authority of the maker of that instrument. It is a serious crime, and is always heavily punished.

24. If your signature is successfully forged the bank would be the loser.

25. A check payable to a person must be indorsed by that person before the bank will pay the check.

26. The payee indorses a check by signing his name on the back of the check, exactly as it appears on the face of the check.

27. The proper way to indorse a check is to write your name on the back across the left end.

28. If other names are indorsed on the back when you receive the check, indorse your name below the other indorsements.

29. It is wise not to indorse a check until you are ready to dispose of it.

30. The safest way to indorse checks is to write the words: "Pay to the order of Albert Wallace," across the left end of the check on the back, and then sign your name. This is an indorsement in full.

31. The bank holds indorsers of checks liable just as indorsers of notes are liable.

32. You can escape this liability by writing "without recourse" above your indorsement. This is called a qualified indorsement.

33. If indorsed to "John Smith for deposit," it is a restricted indorsement.

34. If indorsed "Pay to John Smith" it is a limited indorsement.

35. You should deposit all checks or cash them within 24 hours after you receive them.

36. If you hold checks longer than 24 hours you will be the loser in case of the failure of the bank or the drawer.

37. You may hold the check as long as you please if you are willing to take the chances of losing.

38. A check cannot be cashed before the date, if it is dated ahead.
39. If a check is dated Sunday it can be cashed on Monday.
40. If the date is omitted it can be cashed whenever it is presented.
41. You can cash a check in a strange bank if you have credentials to identify you to the bank.
42. If a man who knows you will o.k. your signature, you can cash a check wherever his signature is known.
43. A bank cannot refuse to pay a check if the maker of the check has sufficient funds on deposit in the bank.
44. If, however, the maker has ordered the bank to "stop payment" on the check, the bank will refuse to pay it.
45. If the maker's account is overdrawn or there are not sufficient funds on deposit, the bank will refuse to pay the check.
46. It is not a crime to draw a check on a bank when you are overdrawn, but it is bad business, and in some states illegal.
47. It is fraud to draw a check on a bank where you never had any deposit.
48. If a check is stolen and cashed, the man from whom it was stolen would not be the loser.
49. If you indorse a check that is protested you are responsible.
50. If you indorse a forged check and cash it you are responsible.
51. If the bank cashes the check on a forged indorsement the bank is the loser.
52. Each month the bank renders a statement of your account, showing deposits made, checks paid, and the balance. Your canceled checks are returned to you at the same time.
53. A canceled check, when returned, bears the indorsement of the payee and should be saved as a receipt for the payment.
54. Personal checks are very satisfactory for making remittances, since they are easy to draw, easy to send, and the canceled check is a receipt.
55. For out-of-town remittances, however, many banks charge exchange on personal checks.
56. It is well, therefore, in sending or receiving out-of-town remittances, to use a check upon a New York bank.
57. Nearly every bank has connections, either directly or indirectly through other banks, with some New York bank. Your bank can therefore ordinarily accommodate you with a "New York draft," as it is called.
58. Another advantage in using bank drafts for out-of-town remittances is the avoidance of any possible delay in holding up an order until the check is collected.
59. A certified check is a personal check which the bank has certified. It is good for the amount for which it is certified.
60. In dealing, therefore, with anyone whose credit or character may not be good, or who is a stranger to you, you are justified in asking him to give you a certified check.
61. The maker of a certified check cannot have payment stopped on that check without an order from the court.

FINANCIAL STANDARDS

Partnerships and corporations

1. A partnership is an arrangement by which two or more persons may work together for their mutual profit.

2. Nearly all partnerships are or should be based upon a written agreement between the partners, stating exactly what each partner agrees to do and what he expects the other partners to do.

3. The partnership agreement should therefore be carefully drawn, preferably by an attorney.

4. The partnership agreement usually states who the partners are, the nature of the business, each partner's duties in that business, what each partner agrees to put in and take out of the business, and how the partnership shall be terminated.

5. Regardless, however, of the agreement, there are certain laws affecting partnerships which must be considered.

6. The outstanding feature of a partnership is the unlimited personal liability of each partner for the debts of the firm, and responsibility for the acts of all the other partners.

7. If the firm fails, each member is individually liable for the entire debts of the firm.

8. Each partner may ordinarily make contracts binding all the other partners, even though he acts against their wishes.

9. It is wise, therefore, to be extremely careful in choosing partners, to see that those you choose are trustworthy in every way.

10. A partner may withdraw from a firm at any time, but his withdrawal does not release him in any way from his liability for the acts and debts of the partnership up to the time of his withdrawal.

11. A partnership is dissolved by death, the lunacy, the insolvency, or the withdrawal of a member, or by the mutual agreement of the partners.

12. Usually when a partner withdraws from a firm of three or more members, the remaining members form a new partnership.

13. If a partner withdraws, the fact should be published, and notice sent to all interested persons, in order to relieve him of liability for subsequent acts of the firm; otherwise, he may find himself some day in a rather embarrassing situation.

14. In fact, any change in a partnership should at once be published and notice sent to all interested persons.

15. Upon the death of a partner, the other members of the firm have the sole right, in the absence of agreement to the contrary or otherwise, to wind up the business.

16. In the absence of any prior agreement to the contrary the heirs of a deceased partner cannot enter the firm and manage this interest without the consent of the surviving partners.

17. A partner cannot dispose of his interest in the partnership by will. He can, however, dispose of the proceeds of his interest after the affairs of the partnership have been settled.

18. A corporation is an artificial arrangement created by law, under which three or more persons may associate themselves together to carry on a business.

19. A corporation receives a charter from the state, granting certain powers to the corporation.

20. No corporation can exceed the powers granted in its charter.

21. The by-laws of a corporation are the rules and regulations by which the corporation conducts its business.

22. The important feature of a corporation is the fact that, except under special circumstances, the stockholders are not liable for the debts of the corporation.

23. The stockholder of a bank is ordinarily liable for twice the amount of his stock.

24. That is, if he owns 10 shares of a par value of \$100, he is liable not only for the par value of his stock, \$1,000, but also for an additional \$1,000, or \$2,000 in all.

25. This does not mean that if he paid \$1,000 for his stock, he will have to pay \$2,000 in case the bank fails. It simply means that he may lose the \$1,000 already paid in, and is liable for an additional \$1,000.

26. A stockholder in any other corporation who owns stock that is not "full paid" is liable only for the par value of his stock less the amount "paid in."

27. "Full paid" stock is stock which has been issued and paid for at its full par value.

28. The par value of a stock is its face value—the amount printed on the face of the stock certificate.

29. The par value of a stock has nothing to do with its actual value.

30. A stock may have a par value of \$100 and be worth only \$23.

31. The capital stock of a corporation is divided into shares.

32. The stockholder of a corporation has one vote for each share of stock he owns, unless he owns non-voting stock.

33. Certificates of stock are negotiable, and a stockholder may sell any or all of his stock to anyone who is willing to buy it.

34. A corporation is managed through a board of directors, who may be elected by the stockholders at the annual meeting.

35. The directors may authorize one of their number, usually the president, to act for them, and to manage the business of the corporation subject to their approval.

36. A stockholder, therefore, has absolutely nothing to do with the business of the corporation unless he is an officer, or a member of a board of directors, or owns the controlling vote, or is employed by the corporation. He has no power or authority whatever, except a vote at the annual meeting.

37. The business of a corporation can continue regardless of the death of any stockholder.

38. In addition to the capital stock some corporations issue bonds, which are notes under seal, and are usually secured by mortgages.

39. A bondholder is therefore a creditor of the corporation, since the corporation owes him money.

40. The stockholder is an owner in the corporation, since he owns shares of the capital stock.

41. The bondholder does not have any vote.

42. The difference between bonds and stock is that bonds are an obligation of the corporation and must be paid at maturity, while shares of stock are simply evidences of ownership.

43. When the bonds mature, if they are not paid, the bondholders can foreclose on the security, just as the holder of a mortgage can foreclose if the interest is not paid.

44. The only way a stockholder can get his money back is by selling his stock.

45. Another difference between bonds and stock is that the interest on bonds must be paid, while dividends on stock are not paid unless they are earned, and not then unless the directors declare the dividends.

46. If the interest is not paid, the bondholders can foreclose.

47. Evidently then, bonds, to be worth anything, must have some security back of them.

48. The security back of the bonds may be the property of the company, or the income of the company, or simply the promise of the company.

49. Bonds secured by property are called mortgage bonds; those secured by income are called income bonds; those secured by promises are called debenture bonds or sometimes simply notes.

50. The interest on bonds must be paid before the dividends on stock are declared.

51. Sometimes a corporation issues two or more kinds of stock. One kind is called preferred stock; the other, common stock.

52. Preferred stock is usually preferred both as to assets and dividends; that is, dividends must be paid on the preferred stock before anything is paid on the common stock.

53. If a corporation winds up its business and dissolves, the bondholders get paid first, then the general creditors, then the preferred stockholders, and the common stock gets what is left.

54. Very often the common stock carries voting power, and the preferred doesn't.

55. If a stockholder loses his certificate he can get a duplicate by promising to make good any loss caused by the lost stock showing up.

56. If the stock turns up in the hands of an innocent holder, the corporation would probably be compelled to recognize it.

57. In some states the corporation laws are not so rigid as in others. They allow corporations greater powers at less cost and with less supervision. Although it is easier to incorporate in these states, there is greater opportunity for fraud.

58. A corporation can do business in any state, regardless of the state in which it is incorporated. It is, of course, subject to the laws of the state in which it does business, and must also comply with the laws of the state in which it is incorporated.

FINANCIAL STANDARDS**Insurance**

1. You can insure against death, fire, theft, accident, ill health, burglary, tornado, loss of business, law suits, and almost anything that is liable to affect you or your family, your business, or your property.

2. To take out insurance on anything you must make application to the insurance company, giving whatever information is required.

3. If the insurance company accepts your application, it will issue a policy to you for the amount of the insurance.

4. An insurance policy is a contract between you and the insurance company. You agree to pay the premiums, and the company agrees to pay you the insurance in case of loss.

5. An insurance premium is what you pay to the insurance company for the insurance. Premiums are paid regularly, usually once a year.

6. The amount for which the company insures you or your property is called "the face of the policy."

7. The amount of the premium depends largely on the nature and extent of the risk.

8. Some "risks" cannot be insured at all.

9. The cost of life insurance is comparatively high, since if you die you are a total loss to the insurance company.

10. Fire insurance, on the other hand, is comparatively inexpensive, since the loss may be very slight, and the insurance company pays only for the actual damage.

11. You may insure your life or the life of someone else, provided the insurance company is satisfied that your interest in the other person is sincere.

12. You cannot insure the life of anyone in whom you have no interest.

13. A creditor, however, can have the life insured of a man who owes him money.

14. Ordinarily you may have your life or property insured in favor of anyone you choose.

15. In case of death by suicide the company will pay the insurance if the policy has been in force for a certain time, usually one or two years.

16. The insurance company will not, however, pay insurance for the death of a person killed while committing a crime or as punishment for a crime.

17. If the insured enters the naval or military service, in time of war, the company will adjust the premium.

18. Untrue statements in the application for insurance may render the policy void, depending on their nature and the company's rules.

19. If the wrong age is stated, the insurance is not usually affected, except that the company will probably require some adjustment in the premiums.

20. The premium for a fire insurance policy would be higher for a wooden building than for a brick one.

21. A brick building beside a railroad track might cost more to insure than the same building near a lake.

22. Some locations are so dangerous that the buildings cannot be insured.

23. The owner of a powder mill would probably have difficulty in getting insurance on his building. He might also find it difficult to get his own life insured.

24. Insurance rates in the city are lower than in the country because the fire protection is better.

25. The more fireproof the building the lower the rate of insurance.

26. The higher the building the greater the risk and the higher the rate.

27. The business handling explosives or combustibles must pay a higher rate.

28. If you do not comply with the insurance rules, you may find that you cannot collect the insurance.

29. If alterations are made in the building the company should be notified.

30. In case the surrounding buildings are changed the company should be notified.

31. In case a new member is admitted to a partnership the policies should be changed accordingly.

32. If the property is sold the company should be asked to transfer the insurance.

33. Two or more persons can get insurance on the same property if they have an insurable interest.

34. The company always reserves the right to replace the lost property instead of paying the face of the policy.

35. The insurance is usually void if the property is vacated without permission from the insurance company.

36. Statistics are said to show that the farmer is more liable to accident than is the traveling man.

37. The employee in a machine shop is more liable to accident than the office worker.

38. Pianists insure their fingers against injury.

39. Vocalists insure their voices against injury.

40. Farmers insure their crops against hail.

41. Merchants should insure their business against bad debts.

42. Autoists insure their cars against theft, fire, collision, and property damage.

43. Cashiers insure their employers against dishonesty.

44. Fruit growers insure crops against frost.

45. Factories insure against accidents to their employees.

46. Business men insure against business depression.

47. Compulsory insurance against sickness, accident, and old age is now enforced in many states.

48. Always read your insurance policies carefully. If they contain anything you don't understand, ask the company to explain.

49. Do not take anything for granted. Make sure that everything is as it should be.

50. Insurance policies should be kept in a safe place where they cannot be lost, stolen, or destroyed.

STANDARD QUESTIONS

The work of the treasurer's office

1. Why does a business concern have to have a treasurer?
2. What are the four principal duties of the treasurer?
3. What is the most important duty of the treasurer in your opinion?

Why?

4. Name the treasurers of three different concerns and tell what each one does, as far as you know.

5. What is meant by the word "funds"?
6. Are express money orders funds? Why or why not?
7. What is currency?
8. Are express money orders currency? Why or why not?
9. Does every treasurer look after every bit of the work of his office?

If not, who does?

10. In concerns where the treasurer delegates his work to others, how does he "keep in touch" with the way things are going?

11. How do most firms pay their bills? Why?
12. Who signs the company's checks? Why?
13. How does the treasurer watch collections?
14. What is meant by the term "surplus funds"?
15. What does the treasurer have to do with the surplus funds?

STANDARD QUESTIONS

Elementary principles of finance

1. Is it ever a good plan for a prosperous business to borrow money?
2. Is it ever a good plan for an individual to spend more than his income and borrow money to meet the deficit?
3. What is the commonest form of business paper which is used as evidence of a loan or of a payment due in the future?
4. How does the government borrow money?
5. How does the individual borrow money?
6. Does the government always pay interest on its notes?
7. Does an individual always pay interest on his notes?
8. Does a bank always pay interest on its notes?
9. What is the danger of lending money on a verbal promise to pay?
10. Why are notes of individuals or corporations sometimes held in preference to cash?
11. If you were borrowing money on February 15, would you prefer to have the note read payable in 30 days or 1 month? Why?
12. As a rule, which will allow the longer time for payment, notes due in 60 days or in 2 months? Why?
13. When is a note payable if it falls due on Sunday?
14. Is a note legal if it is dated on Sunday?
15. Is an unpaid note as good after maturity as before?
16. A steals a note from B and sells it to C. Does C have a good title?

17. A note is drawn payable to H. A. Bliss. How can Mr. Bliss transfer it without becoming liable for its payment?
18. How should a negotiable note be worded?
19. How should a non-negotiable note be worded?
20. How should a time note be worded?
21. How should a joint note be worded?
22. How should a demand note be worded?
23. How should a non-interest-bearing note be worded?
24. How should a compound interest-bearing note be worded?
25. When does a non-interest-bearing note draw interest?
26. Why should the time and place of payment be stated in the note?
27. Suppose value was not received by the maker; is the note legal?
28. In a joint note, how may either signer be made liable for the entire amount?
29. How may cash be obtained on a note before it is due?
30. How is the date of maturity computed?
31. How is the note indorsed in blank?
32. How is the note indorsed in full?
33. How is a restricted indorsement made?
34. How are partial payment indorsements made?
35. How does the maker of a note sign his name when he cannot write?
36. What is the usual legal rate of interest?
37. What is the penalty for usury?
38. What is meant by call loans?
39. What is a collateral loan?
40. How many signers are required on the note for a collateral loan? Why?
41. How is capital for new ventures usually provided? Why?
42. What is a bond?
43. What is a mortgage?
44. What is a time loan?
45. How soon must time loans be paid? call loans? demand loans? collateral loans?
46. When are indorsers of notes liable?
47. When is a note outlawed?
48. Are bank loans ever made for permanent purposes? If so, for what purposes? If not, why not?
49. Who is the maker of a note? the indorser? the payee?
50. How long do bank loans usually run?

STANDARD QUESTIONS

The uses of checks

1. What proportion of business is transacted with checks?
2. What are some of the commercial advantages in the use of checks?
3. How would you open a checking account at a bank?
4. What does it mean when your account is overdrawn?

5. Should checks ever be written with a pencil?
6. Must checks be written on the blank forms furnished by the banks?
7. As a matter of convenience to your customers, could you draw a check on the bank where he does business?
8. Why are checks usually printed on colored paper?
9. Why should an exact account of the checks issued be kept on the stubs of the check book?
10. Why should the canceled checks be saved when returned?
11. What devices are used to prevent the raising of checks?
12. In writing a check what cautions are necessary to prevent fraud?
13. How would you write a check for eighty-five cents?
14. How would you write a check if you wanted to draw money for your own account?
15. Is a check good if dated on Sunday?
16. Will the bank pay a check if it is dated a month ahead?
17. Is a check good if the date is omitted?
18. Can you cash a check after the maker has died?
19. Is it criminal to draw a check on a bank where you have no money on deposit?
20. What is the difference between a personal check and a certified check?
21. What is the difference between a cashier's check and a bank check?
22. How can the payment of a check be stopped?
23. You are sending a check through the mail to John Smith, Chicago. How will you prevent the check from falling into the hands of the wrong Smith?
24. How can you cash a check at a bank in a city where you are an entire stranger?
25. How can you cash a check at a bank where you are a stranger, if you have a friend who is acquainted at the bank but who cannot go with you to the bank for the purpose of identifying you?
26. If a forger raised a check which you have written and succeeds in getting it cashed, who would be the loser?
27. If your signature were forged and the check cashed by your bank, who would be the loser?
28. Where must indorsements be made on a check?
29. How are indorsements made in blank? In full?
30. How would you make a qualified indorsement on a check?
31. How would you endorse a check which you wish to deposit in a bank to the credit of another man?
32. If a check is indorsed in blank, how can you legally make it payable to the order of Henry Smith?
33. Why should you never indorse a check in blank unless you are going to cash it at once?
34. What are the advantages and disadvantages in the payment of accounts with checks?
35. Would it be safe to sign a check before the amount or the name of the payee is filled in? If so, when? If not, why not?

STANDARD QUESTIONS

Partnerships and corporations

1. What is the difference between a partnership and a corporation?
 2. Can you tell a partnership from a corporation by the name?
 3. What is the most advisable step to take in entering into a partnership?
- Why?
4. What is a partnership agreement, and what does it contain?
 5. Who should draw up the partnership agreement?
 6. Under what conditions is each partner individually responsible for the debts of the partnership?
 7. Is a contract made by any partner binding on the others?
 8. Why is it wise to be extremely careful in choosing partners?
 9. When may a partner withdraw from a partnership?
 10. How much liability attaches to a retired partner?
 11. In what four ways may a partnership be dissolved?
 12. What steps should be taken by a retiring partner to relieve himself of further responsibility?
 13. What is the object of publishing changes in partnerships?
 14. If a partner dies, what becomes of the business?
 15. What rights in the partnership, if any, have the heirs of a deceased partner?
 16. Can a partner sell his interest in a partnership or dispose of it by will?
 17. What is a corporation?
 18. How many persons does it take to form a corporation?
 19. What is a corporation charter?
 20. What are by-laws?
 21. Are the stockholders of a corporation liable for the debts of the corporation?
 22. What is the liability of a man who owns stock in a bank?
 23. What do you mean by "full-paid" stock?
 24. What is meant by the "par value" of stock?
 25. How is the capital stock of a corporation divided?
 26. Can a stockholder vote?
 27. Can you sell stock certificates?
 28. How is a corporation managed?
 29. How much has a stockholder to say about the business?
 30. What becomes of a corporation if one of the stockholders dies?
 31. Does the sale of stock to pay a stockholder's debts affect the standing of the corporation? Why or why not?
 32. What is the difference between a bondholder and a stockholder?
 33. To what extent are bondholders liable for the debts of a corporation?
 34. Does a bondholder have a vote?
 35. Which would you rather be, a bondholder or a stockholder? Why?
 36. Suppose the corporation does not pay its bonds when they mature. What may happen?
 37. How does a bondholder get his money back?

38. How can a stockholder get his money back?
39. What may happen if the corporation does not pay the interest on its bonds?
40. Why should bonds have some security back of them?
41. What three kinds of security may bonds have back of them?
42. What are the three kind of bonds called?
43. How many kinds of capital stock are there?
44. What is preferred stock?
45. If a corporation dissolves, what becomes of the assets?
46. If you own stock in a corporation and lose your stock certificate, can you get another?
47. Are the corporation laws the same in every state?
48. If not, what is the nature of the differences?
49. Is a corporation obliged to do business in the same state in which it is incorporated?
50. Why are corporations which belong in one state often organized under the laws of another state?

STANDARD QUESTIONS

Insurance

1. What are some of the things that can be insured?
2. In what respects is an insurance policy a contract?
3. What is the face of a policy?
4. What is the premium?
5. Is the cost of life insurance low comparatively or high? Why?
6. What determines the amount of the premium on a life insurance policy?
7. Is it better to insure at an early age or wait till you are older?
8. Will the insurance company pay the insurance if the insured person commits suicide?
9. If the insured is killed in war, can the policy be collected?
10. Can the policy be collected if the insured person is killed while committing a crime?
11. What effect will there be on the policy if the insured reports his age incorrectly?
12. Can you insure the life of anybody beside yourself? If not, why? If so, under what conditions?
13. How is it possible for insurance companies to pay large amounts when they receive small premiums?
14. Is fire insurance expensive or inexpensive? Why?
15. Are insurance rates lower in the city or in the country? Why?
16. Would you pay a higher premium on a frame building or on a cement or brick one? Why?
17. Is a four-story brick building a greater risk than a one-story building? On which would the premium be higher?

18. Are there any buildings, do you suppose, which cannot be insured at all? If so, why?
19. What ought you to do if you make alterations on property that is insured? If you neglect this, what may the consequences be?
20. What effect does it have on the policy if the property is sold? altered? vacated?
21. Can more than one person insure the same property?
22. In case of entire loss, does the company always pay the face of the policy?
23. What are eight different kinds of accidents against which you can insure yourself?
24. Is it safe to keep your insurance policies in your desk at home? Why or why not?
25. Can you think of a better place?

STANDARD QUESTIONS

Some questions the treasurer has to answer

1. What is the financial center of the world?
2. What is the financial center of the United States?
3. What is the largest bank in the world?
4. What is the largest bank in the United States?
5. Are banks a necessity to modern business? Why?
6. How are national banks different from state banks?
7. How are private banks different from trust companies?
8. How are postal savings banks different from savings banks?
9. What is the clearing house and what part does it play in business?
10. Why are heavy fines imposed in the clearing house for tardiness and inaccuracy?
11. What are safe-deposit vaults?
12. What is the difference between bank drafts and checks?
13. How do checks differ from sight drafts?
14. How do sight drafts differ from time drafts?
15. Are bank drafts money?
16. Are bank drafts legal tender?
17. Are national bank notes currency?
18. Do national bank notes draw interest?
19. Are national bank notes good if the bank fails?
20. What gives security to national bank notes?
21. In buying a bank draft, to whose order would you have it made payable?
22. Are bank drafts safer than personal checks?
23. What is a bill of exchange?
24. What is a letter of credit?
25. What is a travelers' check?
26. What is meant by negotiable paper?

27. What is meant by collateral?
28. What is meant by bank discount?
29. What gives paper money value?
30. Why are coins more desired in time of war than paper money?

STANDARD EXERCISES

Business puzzles involving checks

1. A, with a checking account of \$1,500, gave to B a signed check in which the amount was left blank, with the understanding that B was to purchase between \$300 and \$400 worth of goods and insert in the check the amount of the purchase. B purchased \$1,000 worth of goods from C and filled in that amount. In case A could not prove the restrictions placed on B, how much would he lose?

2. Mr. Hay gave his check for \$200 payable to the order of Mr. Crawford. The check was indorsed in blank by Mr. Crawford but was lost before it could be deposited in the bank. It was found by a thief, who cashed it before the payment could be stopped. Who was the loser and how much?

3. The First National Bank refused payment for want of funds of a check for \$200 drawn on it by Mr. Roe in favor of Mr. Drake. Mr. Drake did not present the check for payment until nearly two months after it was drawn and did not give the drawee the notice of dishonor until about two weeks after that. From whom can Mr. Drake collect? Why?

4. Mr. Baley owed Mr. Avery \$25 and gave him a check. When Mr. Avery presented the check at the bank, he noticed that although the written amount was correct the figures stated only 25 cents. How much could Mr. Avery get on the check?

5. A farmer signed a check for \$200 on the City National Bank, where he had a checking account for \$1,000. The bank cashed the check, not knowing that the farmer had been defrauded by a windmill agent who told him that he was signing a duplicate contract for a windmill at \$100. How much did the farmer lose? Why?

6. Through fraud, Mr. Day secured a check for \$500 from Mr. Lord. Mr. Day indorsed the check in full to Mr. Hunter, a holder in due course. The bank paid the check. Who was the loser and why?

7. Mr. Bates, who has a checking account of about \$12,000 writes check for \$600 payable to the order of Mr. Woolson, who lives in the same town. Two days later, while the check was still in the possession of Mr. Bates, the bank failed and paid 25 cents on the dollar. How much can Mr. Bates collect from Mr. Gates and how much can he collect from the bank?

8. Mr. Green wrote a check for \$9, which was easily raised to \$99 by a forger. It finally appeared in the possession of Mr. White, who was an innocent purchaser for value, and was cashed by him at the bank. How much would Mr. Green lose? Why?

9. A forger signed George P. Brown's name so perfectly to a check for \$150 that it was accepted in the usual course of business by Mr. Black and

finally cashed by him at the bank. Who was the loser and how much was the loss? Why?

10. Mr. Swan was accustomed to paying his rent by check on the first of each month, receiving a regular rent receipt. On the first of May the landlord presented a bill for two months' rent, claiming Mr. Swan had never paid the rent for April. Since Mr. Swan can't find his rent receipt for April, he will have to pay the rent again unless he can prove he did pay it. How can he do this?

STANDARD EXERCISES

Partnership and corporations

1. Mr. Fry owned \$50,000, Mr. Gee \$25,000, and Mr. Hay \$1,000 interests in a partnership business worth \$70,000. The firm failed and all of the partners were bankrupt except Mr. Hay. If the debts were \$38,000, how much would Mr. Hay be compelled to pay?

2. Mr. Barr and Mr. Baird were partners when Mr. Barr decided to withdraw from the firm. Mr. Baird agreed to assume the firm indebtedness of \$3,000 and pay Mr. Barr \$10,000 for his share in business. Before any of these debts were paid, Mr. Baird failed, paying off only 10 cents on the dollar. How much would Mr. Barr lose through the failure?

3. When Mr. King bought an interest in the partnership business of Lloyd and May the firm owed \$1,000 which Mr. King did not agree to assume. Subsequently Mr. Lloyd gave a note in the name of the new firm to one of the creditors for \$300. Is Mr. King liable for his share of this note?

4. Mr. Blue of the real estate of Blue, Brown and Company bought for the firm a \$10,000 property, without the consent of his partners. It proved to be a bad investment and was sold for \$7,000. How much would Mr. Blue lose in case the three partners owned equal interests?

5. Mr. Brown and Mr. Babb agreed to buy 4,500 bushels of wheat and divide it according to the amount each invested. Mr. Brown furnished \$3,000 and Mr. Babb \$1,500. Mr. Brown sold his share at a profit of 10 cents a bushel and Mr. Babb sold at a loss of 10 cents a bushel. Is this a partnership? How much did each gain or lose?

6. Mr. Carr and Mr. Crow agreed to buy and sell 10,000 bushels of wheat, dividing the profits or losses according to the amount each invested. Mr. Carr invested \$3,000 and Mr. Crow \$9,000. Mr. Carr sold 4,000 bushels at a loss of 10%. Mr. Crow sold 6,000 bushels at a gain of 10%. How much did each gain or lose? Is this a partnership?

7. Mr. Coin invested \$10,000 in the stock of a national bank which failed, paying 10 cents on the dollar. How much did Mr. Coin lose?

8. Mr. Dunn invested \$10,000 in a joint stock company, limited. The firm failed, paying 10 cents on the dollar. How much of his investment did Mr. Dunn lose?

9. When a mining corporation was organized Mr. Elm purchased 100 shares of stock for \$1,000 (par value \$100). The company failed, owing large sums of money. How much must Mr. Elm pay?

10. Mr. Fee purchased \$1,000 worth of stock, at par, in a newly organized corporation, stock non-assessable and fully paid. The company failed, owing \$100,000. How much does Mr. Fee lose? Why?

STANDARD EXERCISES

Insurance

1. Mr. Dale insured for \$5,000 a property worth \$4,000. In case of total loss, how much can Mr. Dale collect?

2. Under the 80% clause, Mr. Earl insured for \$4,000 his house valued at \$5,000. How much can he collect in case of a total loss?

3. Mr. Fry insured property worth \$6,000 for \$4,000 under the average clause. It was damaged by fire to the extent of \$120. How much will the company pay?

4. Mr. Gee lent Mr. Maxwell \$2,000 and took a mortgage for that amount on his property valued at \$5,000. As an additional security Gee insured the property for \$4,000. It was totally destroyed by fire. How much can Mr. Gee collect from the company?

5. Mr. Hoy insured for \$5,000 a stock of goods which invoiced at \$6,000. On October 15 Hoy moved \$500 worth of goods to an adjacent building. On October 17 a fire completely destroyed both buildings. How much can Mr. Hoy collect?

6. Mr. White purchased of Mr. Brown for \$6,000 a property which was insured for \$5,000. Mr. White, knowing that the place was insured, paid no further attention to it. The property was destroyed by fire. For how much is the company liable, either to White or Mr. Brown?

7. Mr. Deo insured a dwelling house for \$4,000, and at the time he made out the application he stated that there was no other building within 100 feet of this property. Subsequently he erected a frame restaurant building within 20 feet of his house. The residence was destroyed by fire but through no fault of the restaurant. How much would the company pay Deo?

8. Mr. New insured a stock of dry goods for \$8,000. Subsequently he removed the stock into a building which was much better protected from fire. How much can he collect in case of total loss by fire?

9. Mr. Ray holds a mortgage on Mr. Thompson's property for \$2,000. He also takes out a fire insurance policy of \$2,000 in his name and pays the premium. The house is valued at \$4,000. If the house burns before the mortgage is paid, how much can Mr. Ray collect? Why?

10. In case Mr. Thompson pays the mortgage before the fire, how much can Ray collect?

11. In case Mr. Thompson insured his house for full value, how much would the company pay him? Why?

12. In case Mr. Thompson took out a \$2,000 policy in favor of Mr. Ray, how much could Mr. Ray collect? Why?

13. In case Mr. Ray takes out a life insurance policy on Mr. Thompson for \$2,000 and continues to pay the premiums until Mr. Thompson dies, although

the mortgage has been paid, how much can Mr. Ray collect from the insurance company on the policy?

14. Mr. Coe insured the life of his neighbor Mr. Matthews for \$5,000, making himself the beneficiary, because Matthews did not have the money at the time to pay the premium. Coe continued to pay the premiums until the death of Matthews. How much can he collect?

15. When Mr. White made his will he gave his daughter all of a \$5,000 life insurance policy which he had taken out payable to his son. How much can the daughter collect?

16. Mr. Pry, in taking out a life insurance policy for \$5,000, gave his age as 25 when he was 30. How much will the company pay the estate in case Pry pays the premiums until his death?

17. Mr. Edwards insured his life for \$20,000 and three years later shot himself. How much could his estate collect? Suppose he had shot himself n three days? Suppose he was shot while committing a burglary? Suppose he was shot as a spy?

18. In making out his application for a life insurance policy of \$5,000 Mr. Black failed to state that tuberculosis was the cause of his mother's death. He passed a good examination but afterward died of consumption. How much will the company pay his estate?

19. Mrs. True was injured in a railroad accident. As the injury seemed very slight at the time, she settled for \$50. Later she was out of work for three months at an expense of \$3,000 as a direct result of the injury. How much can she collect from the company?

20. Mr. Smith shipped by boat \$4,000 worth of heavy iron castings. During a storm it became necessary to jettison the iron goods in order to save the boat and the balance of the cargo. If the boat and cargo were worth \$400,000, how much would Mr. Smith lose?

STANDARD EXERCISES

Some additional problems the treasurer has to solve

1. Mr. Clark needed \$1,000 with which to start a business. He could not borrow on his own credit, so he induced his uncle, Mr. Wadsworth, to give him an accommodation note for \$1,000 due in one year at 6% interest, payable to Mr. Clark's order. This note he discounted at the end of one month at the City National Bank. How much did Clark receive from the bank. From whom would the bank collect and how much?

2. Mr. Ames gave a promissory note to Mr. Dennison for \$600 payable in 3 months at 6%. One month after date the note was paid by Ames and was not returned. Finally Mr. Dennison lost the note and it appeared in the hands of Butler, an innocent purchaser for value. How could Butler collect from Ames and for how much?

3. Brown and Black signed a joint note for \$1,000 payable in one year, at 5% interest. The note read: "We promise to pay." In case Brown fails, how much will Black be compelled to pay?

4. Mr. John Francis, who was 20 years old, gave a promissory note for \$200 due in 90 days at 6% to Mr. Brown, value received. How much can Brown collect if Francis refuses payment?

5. On July 15 Mr. White borrowed \$200 from Mr. Black in the presence of Mr. Green as a witness, agreeing to pay on September 15 with interest at 6%. On August 15 White and Green were both killed in a railroad accident. How much can Black recover from White's estate?

6. Mr. Barr gave his note to Mr. Lord on January 2, 1910, for \$200 payable on demand at 6% interest. Barr paid the interest at the close of the first and second years, but nothing was paid on the principal. Lord brought suit at the end of the fifth year for collection. Barr refused payment, stating that the note was outlawed, as the statute of limitation was five years in his state. How much could Lord collect?

7. On March 4 Mr. Ames obtained through fraud from Mr. Bates a negotiable note for \$400 due in four months at 6%. Ames immediately discounted the note at a bank at 5%. Bates refuses payment on account of fraud. How much can the bank collect from Bates? How much did the bank pay Ames?

8. Mr. Brown becomes a bona fide holder for value of a promissory note of \$500 payable in five months at 5%. The note was given by Mr. Thomas to Mr. Clark without consideration. Mr. Thomas refused payment claiming that there was no consideration. How much could Mr. Brown collect from Mr. Thomas?

9. The Crown Piano Company, with a capital of \$1,000,000 (shares \$100 each), declares a dividend of \$125,000. How much would a stockholder owning 120 shares receive?

10. An assessment to meet a loss of \$25,000 is levied by a company with a capital of \$500,000. How much will Mr. Pool, who owns 500 shares of par value \$100, be required to pay?

11. Mr. Cool can buy some stock paying 5% dividends at 120 and some others paying 6% at 150. Which is the better investment?

12. Mr. Holt wishes to invest enough money in 5% bonds at par to insure his daughter an income of \$200 a month. How many \$1,000 bonds should he purchase?

13. The partnership firm of White and Black reorganized as a corporation with a capital of \$50,000 in shares of \$50 each. White's share in the old firm was \$12,500 and Black's \$18,000. How many shares should each receive and how much stock would remain in the treasury?

14. Mr. Ray purchased 800 shares of C. & N. W. Ry. stock at a price which would net him 5% on his investment. If the stock pays a semiannual dividend of 3%, how much did the stock cost him and how much income does he receive each year?

15. Mr. Bain has \$5,500 to invest in bonds or mortgages. He can purchase a 4% mortgage at par, or 6% bonds at 125. If the security is the same in both cases, which should he buy? Why? What is the difference in the income?

CHAPTER XIII

THE MANAGER'S JOB

SOME office workers have an idea that the manager has an easy job. He may come down to the office at nine o'clock or so, read his morning paper, dictate a few letters, talk to callers, walk around the office once or twice, take two hours for lunch, and then go home, sometimes at four or half-past four o'clock.

The employee who works steadily from eight until half-past five notices all this and, unless he has done some accurate thinking, he may really believe that he is working harder than his employer. To be sure, he may be actually doing more physical work than the manager, but if the manager did very much physical work, he wouldn't have enough time to do the work he is paid to do.

When the "boss" sits at his desk apparently idle, he is not really day-dreaming. On the contrary, his brain is probably working busily, considering one or another of the many problems connected with the office. There are more of these problems than the average worker in the office realizes.

Working with your brains. There's a very interesting story told about a stockholder in the Standard Oil Company whose office was situated directly opposite the company's office. This stockholder was much perturbed to see one of the department managers of the oil company, who was drawing a fairly large salary, stand with his hands in his pockets, gazing out of his window into the street for the greater part of his time, day after day. It seemed to the stockholder that there was something wrong: this highly paid man was loafing on the job, and the stockholder finally decided to tell the president of the company about it. He did tell him. Somehow or other the president didn't get excited at all. He merely smiled.

"Mr. Rockwell," he said, addressing the stockholder, "I sincerely thank you for the interest you have shown in the maintenance of our efficiency. I appreciate the fact that from your window Mr. Rogers appears every bit as idle as you say.

"But from your window it is impossible for you to see what is going on inside Mr. Rogers' head. It would be highly profitable to this company to hire a dozen other men like him, if we could get them, and pay them salaries as large as we pay Mr. Rogers, to stand with their hands in their pockets, looking out of their windows and thinking thoughts as valuable as those which Mr. Rogers thinks."

This is true probably of most managers: when they are apparently idle they are busy thinking "valuable thoughts." Just as soon as you and your fellow office workers appreciate some of the many knotty problems the "boss" is up against, you will begin to feel keenly your responsibility for making the whole office run smoothly.

One very important problem. In our lessons thus far we have studied the office work of many departments; we have seen how the various operations are carried out; and we have learned the relation of each department to the business as a whole. One important problem remains—that of harmonizing the work of all the departments, reducing friction, increasing production, cutting down unnecessary expenses of operation, and at the same time securing the loyalty of the office workers and keeping everybody happy.

Dealing with human nature. This is the manager's job, and it is a big job. Not only does he have to deal with machinery and equipment, but he also has to deal with the most uncertain, fluctuating, changing element in business—human nature. All the little disturbances, the petty quarrels, the differences of opinion, the variations in temperament of the different workers, the natural quickness of some, the laziness of others, the thousand and one component facts that make up the modern business world—all these and many others, some almost unheard of and unbelievable, go to make a bigger and harder job for the manager than the work of perhaps anybody else in the office.

When machinery squeaks you can oil it; but when a human organization like a highly complicated business office squeaks, something besides oil is required to eliminate unnecessary friction and get it running smoothly again.

The office manager as an engineer. Four factors, then, the office manager has to deal with—labor, materials, equipment, and orders. The office is like the hopper of a machine into which the orders are fed. The hopper is the office; the grindstones are the equipment of the office; the materials make up the order; the office force turns the crank; and the grist is the result; the office manager is the engineer, with the job of keeping the machine oiled, the crank turning regularly without stopping, the grindstones always the proper distance apart, and the grist uniformly fine.

Let's see how he handles this interesting task.

First we'll study the office itself, the "physical" office, the building, the rooms, the desks, and the equipment necessary for carrying on the work. Although the physical characteristics of each office must depend largely upon the work that is carried on, nevertheless every office has features that are similar to every other office and many of the principles underlying the work are very much alike.

Planning the office for effective work. How shall the desks and other office equipment be arranged? When a factory expert lays out the plan for his building, he aims to have the raw material come in at one place and pass naturally from one machine or department to another without loss of time or motion. Exactly the same reasoning applies in laying out an office, and it is called the "straight line" principle.

The "straight line" principle. Imagine if you can, two different water pipes running from one water barrel to another, one pipe crooked and twisted and bent, the other pipe absolutely straight. Through which pipe will the water run the faster? Naturally through the pipe that is straight. If we consider the office routine as the "pipe" through which the orders "run," we can easily see that if the routine "pipe" is straight, the orders will go through the office much more quickly than if the routine "pipe" is crooked and bent. That is, if an order can

come in the front door and go through the office in a straight line, and out the back door, it will not take as long as it would if the order had to cross the office back and forth several times and then perhaps go out the front door again.

The straight line principle is followed so that there will be no doubling back of an order from the time it enters the office until it is filled and shipped. On a diagram of the office the passage of work from desk to desk should form a straight line. It holds true in a small office, as well as in a large one, that all crossing of lines and turning back results in lost motion and time.

Unnecessary expenses hide in every kink or crook. Because an office operation repeats itself over and over, the waste from lost time is evident wherever a clerk walks 10 feet when the errand could be done by handing a paper across a table. Once these kinks are straightened out, it becomes easier to maintain efficiency and to correct desk-to-desk details.

Desks, therefore, are distributed through the office not with a view solely to artistic effect, but for convenience, as well. It helps for every employee to keep his eyes open for better arrangement of the office. If you notice, for instance, that your work could be simplified or made more effective if your desk were moved next to the person you are working with, don't be afraid to suggest the change. Every wide-awake manager is glad to receive sensible, practical suggestions of ways to increase the effectiveness of his office routine.

Suiting the desk to the work. Although the desks and other equipment are arranged properly with respect to the routine, it may be that the equipment itself is not suited to the work passing over it. If a roll-top desk is used, perhaps a flat-top desk would serve the purpose better, particularly if the work is of a nature requiring especially good light and constant passing of letters and papers. Or perhaps the work may be of a character that could be most effectively handled with a specially built table. All these considerations and many others are part of the work of the manager.

The inside of the desk. Some managers even require the insides of all desks to be arranged according to a standard plan. There is a good reason back of this: if you are unexpectedly

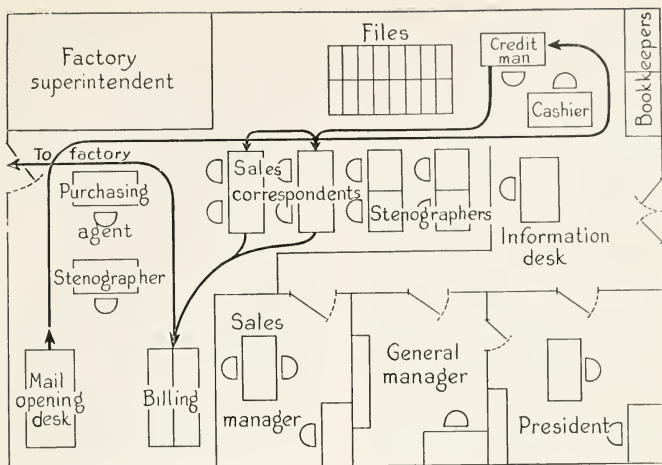


FIGURE 67: When a certain office manager came into a new concern, he found the office arranged like this. An order came in to the mail-opening desk and from there it skipped all over the office. Follow the arrows and see where it went.

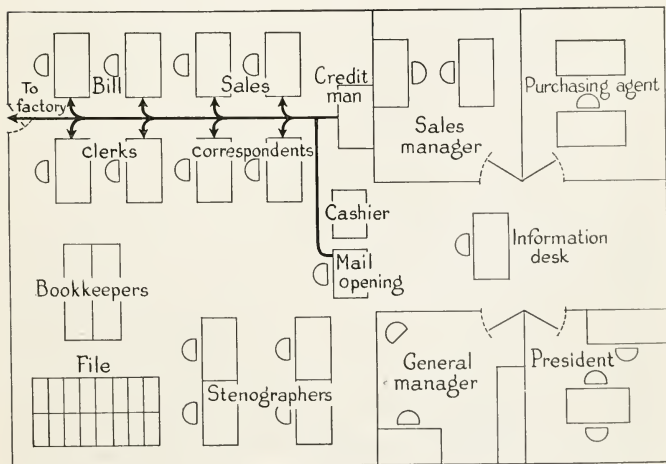


FIGURE 68: He decided time could be saved by a rearrangement. This is how the office looked after he made the change. The order now goes in one straight line from the mail opening desk to the credit man, the bill clerks, and the factory.



FIGURE 69: You won't waste time fumbling for clips and pins if your desk drawer is well arranged with partitions.



FIGURE 70: The middle drawer of this desk is divided into small compartments for pins, clips, and rubber bands.



FIGURE 71: Here is a desk that is made up of three interchangeable units. It can be shifted with very little difficulty to suit almost any kind of work. The drawers are conveniently arranged for filing, and the stationery racks are handy.

absent, someone in your department can find your work and give it the necessary attention. This manager requires all unfinished business to be placed in folders clearly marked. Pens, penholders, blotters, pins, clips, pencils, erasers, rulers, and office forms are kept in their assigned compartments. Some desks have a deep drawer in which space is provided for filing follow-up matters. In case you work with a great many blank forms, the center drawer may be used for special appliances and the upper right- or left-hand drawer for the forms, or a special cabinet near your desk may help.

An absolute necessity. The most perfect routine ever established will fall short of its possibilities if the office manager has not provided comfortable working conditions for his employees; he cannot hope to get the best results from them. No one can work effectively at a desk if the room is so cold that his fingers are numb, or if the light is dim, or the air stuffy, or the surroundings noisy.

Good light is an important requirement for effective work. Daylight is, of course, the best possible light, but it is not always available. In that event the manager has to choose the best kind of artificial light and decorate the walls in light colors so as to conserve whatever light there is.

There is also the question of ventilation, which the manager must decide, and of heat and humidity. A reasonably warm, moist, well-ventilated office will do much to assure the comfort of the workers and to maintain their efficiency at the highest level the year round.

Muffling the office noises. Another problem that may be worrying the manager is how to muffle the office noises. Noise, as has been proved, is one cause of fatigue and it therefore lowers efficiency. Much of the noise of a large office is caused by talking. Every employee can easily talk in low tones if it is necessary to talk at all. It is easy enough to reduce the noise made by office machines by using felt cushions for typewriter rests and rubber pads for desks on which rubber stamps or numbering machines are used. These are only a few of the methods that will help reduce office noises. Perhaps you can think of several others.

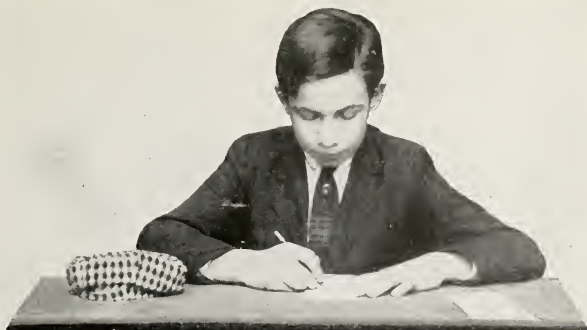
The greatest problem of all. There still remains to be considered the problem of handling the office workers. No matter how well equipped it may be, an office is worthless without people to work in it. Well-trained employees may turn out good work in a poorly equipped office—poorly trained employees cannot turn out good work even in an office that is perfectly equipped with the latest office devices.

Hiring, placing, and training employees. The first step to take in building up a capable office force is, of course, to hire promising applicants. Concerns which do not adopt careful methods of hiring, placing, and training employees find the number of withdrawals unnecessarily large, causing an enormous expense, since it has been estimated that it costs from \$50 to \$150 to "break in" a new worker. Many managers use carefully thought out tests for the purpose of testing mental maturity, observation, memory, alertness, accuracy, speed, and general fitness for performing certain mental and physical operations. Anyone who is not up to the required standard is rejected as hopeless for the work required. The tests also show just what kind of work each applicant's training and ability fit him for, and help to lower the number of square pegs in round holes.

After an employee is hired, he must be trained. Many concerns have the employee who is leaving show the work to the new one, but the more progressive office managers are finding that much better results are usually obtained by the use of standard practice instructions.

Standard practice instructions. To prepare the standard practice instructions each job in the office is thoroughly analyzed. The very best way to do each task is determined upon after careful study, and then clear and complete instructions for doing the task in that way are written down in full detail. All the new employee has to do at first is to read and become familiar with these standard practice instructions.

Having mastered the details of the work as written out, and learned the policies and reasons for doing the work as instructed, the new employee is ready to start work. Thus the first day or two gives the new worker the three essential points necessary to give him a proper start: complete instructions, the reasons



AN ATTENTION TEST

Cross the 2's and ring the 3's among the figures given below; the time allowed is two minutes

1 ~~2~~ (3) 4 5 6 7 8 9 1 ~~2~~ (3) 4 5 6
 9 4 5 (3) ~~2~~ 8 7 1 0 (3) 0 4 (3) ~~2~~ ~~2~~
 0 1 ~~2~~ 4 5 (3) ~~2~~ 8 4 0 9 ~~2~~ 6 7 (3)
 5 4 ~~2~~ 1 (3) 8 0 ~~2~~ 7 4 (3) 5 9 ~~2~~ 0
 1 4 (3) 0 0 7 ~~2~~ ~~2~~ 8 4 (3) ~~2~~ 1 (3) 9
 (3) 4 5 ~~2~~ 7 8 9 0 (3) ~~2~~ 7 5 0 1 8
 4 0 7 9 (3) (3) (3) (3) 0 4 5 8 1 7
 8 4 1 (3) 8 (3) 8 ~~2~~ 0 9 ~~2~~ ~~2~~ 6 4 8
 7 (3) 5 7 ~~2~~ 4 9 0 (3) 7 8 (3) 9 5 ~~2~~

FIGURE 72: One concern uses this test to measure the ability of applicants. It's extremely simple, of course, but it shows how well you can concentrate and how quickly your mind works. Suppose you get some one to time you while you take the test—it may tell you how well you can follow instructions.



FIGURE 73: The executive who uses this desk has arranged it so that his "working tools" can be easily reached. The kind of work you do will, of course, determine the arrangement of your desk somewhat. But no matter what the work, the object always is to have an efficient arrangement and stick to it.

back of those instructions, and the conduct expected of him while he remains an employee of the concern. In case of misunderstanding reference is quickly made to the instruction sheets.

Keeping the workers contented. After the employees are hired and trained, the manager's problem is to keep them contented so that they will not be constantly on the lookout for new positions. Favorable office conditions will often help; recreation rooms, rest rooms, and lunch rooms are an advantage also. But one of the most important factors in keeping employees is reasonably good pay. If employees are paid what their work is worth and receive increases as their work improves, they will more than likely be contented.

About the only way, however, to estimate what office workers are worth is to keep a careful check on their work, and there are many ways of doing this, such as counting and measuring, comparing and inspecting, supervision and reports.

Many managers stimulate their employees to better work by the use of a bonus system; a reasonable standard of attainment is set—those who reach the standard and pass it receive more money than those who don't.

Ways to stimulate ambition. Nearly every manager finds that it pays to give his office workers something to look forward to. If they see no prospects ahead, their work may become a dreary grind. But if there are better jobs waiting for them when they are ready for the jobs, their own work will become doubly interesting.

For this reason a number of companies fill vacancies by promotion wherever possible. If a vacancy is filled "from the outside," the old employees are apt to feel that an injustice has been done them. In order to have someone ready to take a position if made vacant, one manager has an understudy in training for every position. This prevents disruption of the force or the routine.

Making a game out of work. Perhaps the hardest problem of all that the manager has to tackle is to make a game out of the work—make it seem like play. While there is, to be sure, more or less work about all games, still this does not prevent all normal human beings from enjoying them. Business is a

game of intense interest in which the fittest survive and the weaklings perish. If you have never become interested in this game perhaps you have not had sufficient training. You don't expect to play a really good game of baseball or tennis without some preparation, perseverance and perspiration. Enter all the contests you can and throw all the enthusiasm you possess into the game. Even if you don't win the first time, you will find yourself stronger for the next entry.

You do not know how fast you can run until you run as hard as you can and keep on running. You do not know what you can do in business until you get interested in hard work and do your very best. You may even be surprised at your own accomplishments when you once find yourself.

Make up your mind you are going to reach a high goal and start now. Your possibilities are what you make them. Some day you may be facing the very same problems your manager is now facing. Your ability to solve those problems then depends largely on the way you play the game now.

OFFICE STANDARDS

The office from the manager's desk

1. Although the manager may sometimes appear to have an easy job, he is usually hard at work—with his brain.
2. Large corporations pay large salaries to men and women who work with their brains.
3. Poor Richard said: "The eye of the master does more work than both his hands."
4. One of the most important jobs the manager has is to harmonize the work of each department with that of every other department.
5. Since every office has certain features that are similar to every other office, many of the principles underlying all offices are alike.
6. The office manager deals with four factors—labor, materials, equipment, and orders.
7. An office, like a factory, should be laid out on the "straight line" principle.
8. The straight line principle means the arrangement of desks and equipment so that there will be no "doubling back" of an order from the time it enters the office until it is filled and shipped.
9. Water will run through a straight pipe faster than through a crooked one.
10. If the insides of all the desks are arranged according to a standard plan, it is easier for a substitute to take up the work where it was left off.

11. Comfortable working conditions will help to maintain office efficiency.
12. Effective work cannot be accomplished if the light is poor.
13. Fresh air and a comfortably warm office are essentials to good work.
14. Since noise causes fatigue, nearly every step that will reduce noise will help the office workers.

15. In some offices the noise from typewriters and other machines is reduced by placing felt or rubber pads under the machines.

16. In many large offices all the typewriters are placed in one room.

17. Unnecessary talking causes a great deal of noise. Everyone can do his part to lessen it. Think before you speak.

18. The difference between good work and bad work may be due to the difference between good training and poor training.

19. Well-trained employees may be able to turn out good work in a poorly equipped office.

20. Poorly trained employees cannot turn out good work even in a perfectly equipped office.

21. The cost of hiring, placing, and training employees has been estimated at from \$50 to \$150 for each new worker.

22. If workers are carefully selected before they are hired, they will usually prove more satisfactory than if they are hired without regard to their qualifications or disqualifications for the job.

23. Tests are used to determine the applicant's mental maturity, observation, memory, alertness, accuracy, speed, and general fitness for performing certain mental and physical operations.

24. The tests also show for just what kind of work each applicant's training and ability fit him.

25. In "breaking in" a new employee, many concerns use standard practice instructions in preference to having an older employee do the teaching.

26. Standard practice instructions show the very best way to perform each operation in the office.

27. Standard practice instructions for any job are usually prepared only after that job has been thoroughly analyzed and carefully studied.

28. The advantage in using standard practice instructions in training employees is that they give the worker the three essential points necessary for a proper start: complete instructions, the reasons back of those instructions, and the conduct expected of him while he remains an employee of the concern.

29. The manager whose employees are contented will not need to worry about their leaving him for better positions elsewhere.

30. Other things being equal, employees will usually be contented if they are paid what their work is worth.

31. To find out what an employee is worth, a careful check must be kept on his work.

32. The usual methods of checking work are counting and measuring, comparing and inspecting, supervision and reports.

33. Some companies pay bonuses for work which is up to or beyond a reasonably attainable standard.

34. Every office worker is or should be looking forward to the job ahead.
35. This is the reason why many companies fill vacancies by promotion wherever possible.
36. Some companies have an "understudy" in training for every position. Thus someone is always ready to take the next job.
37. Business is a game of intense interest.
38. If you can make a game out of your work, it will seem like play.
39. You do not know how fast you can run until you run as hard as you can and keep on running.
40. You do not know what you can do in business until you get interested in hard work and do your very best.
41. Make up your mind you are going to reach a high goal and start on your way right now.
42. Your ability to be a good captain of your team depends largely on the way you play the game now.

STANDARD QUESTIONS

The office from the manager's desk

1. Should the office manager receive a lower salary than the other workers if he works at the office fewer hours a day? Why or why not?
2. What does the manager work with most, his hands or his brain? Why?
3. If you happened to see the office manager come in to the office an hour late several mornings in succession, would you feel that you had a right to do the same? Why or why not?
4. What are several of the office manager's knottiest problems?
5. What are the four factors the office manager has to deal with? Describe each one briefly.
6. Are any two offices just alike?
7. Is there anything about any office that is similar to every other office? If so, what?
8. Which, if either, of these two types of desk is better: roll-top or flat-top? Give your reasons.
9. Should the office manager pay any attention to the in ides of the desks? Why or why not?
10. Is it wise to allow every worker to arrange his desk as he thinks best? Why or why not?
11. Is there any advantage in having a definite place for all unfinished work?
12. Have comfortable working conditions anything to do with the effectiveness of the office?
13. Can you work as effectively with gas light as with day light?
14. What is the relation of fresh air to good work?
15. Does noise cause fatigue? How?
16. Can office noises be reduced? How?
17. What are two methods used to subdue the noise of typewriters?

18. How can every worker help to reduce noises?
19. Which would you rather have, a poorly equipped office with well-trained employees, or a perfectly equipped office with poorly trained employees? Why?
20. Can you think of any way in which the office workers can help the manager? If so, how?

STANDARD QUESTIONS

Office appliances and labor-saving devices

1. Has the introduction of labor-saving devices thrown employees out of work?
2. How has the introduction of office machinery affected wages?
3. What effect has it had on the work of the office?
4. What effect has it had on the opportunities of office employees?
5. Explain how office machinery has revolutionized the work of the business office.
6. What is the most useful machine of the modern office? Why?
7. What machine brings the mail to the office?
8. How is the mail opened by machinery?
9. To what machine is the answer dictated?
10. With what machine is it written?
11. With what machine may it be signed?
12. With what machine may it be folded?
13. With what machine may it be sealed?
14. With what machine may it be stamped?
15. With what device may duplicate orders be written?
16. What machine will act as bookkeeper?
17. What device will deliver written messages?
18. What machine will write a message?
19. What device will transmit a message?
20. What machine will protect from fraud?
21. What machine will count coin?
22. What machine will number papers?
23. What machine will date papers?
24. What machine will fasten papers?
25. What machine will keep a record of your time?
26. What machine will sharpen pencils?
27. What machine will tie up packages?
28. What machine will address packages?
29. What machine will deliver packages?
30. What machine do you like best to use? Why?
31. Which machine do you most dislike to use? Why?
32. Which machine is the most expensive? Why?
33. Which machine is the greatest labor-saver? Why?
34. Which machine is the most commonly used? Why?

35. What is the difference between an adding machine and a calculating machine?
36. What is the difference between a listing machine and a non-listing machine?
37. What is the difference between the mimeograph and the multigraph? Name several ways in which each can be used.
38. What is the difference between the dictograph and the dictaphone?
39. What is the difference between the addressograph and the signagraph?
40. What is the difference between the telephone and the telautograph?
41. What is the difference between the stenotype and the shortwriter?
42. Under what circumstances can a shorthand-writing machine be used to advantage?
43. Under what circumstances can the electric pencil be used to advantage?
44. Under what circumstances can the extra-sensitive telephone be used to advantage?
45. Under what circumstances can a dictating machine be used to advantage?
46. Under what circumstances can a type duplicator be used to advantage?
47. Under what circumstances can an addressing machine be used to advantage?
48. Under what circumstances can mechanical carriers be used to advantage?
49. Give some good general rules for the care of the typewriter.
50. Is it a good thing to work like a machine? Why or why not?

STANDARD QUESTIONS

Office layout

1. What is meant by the layout of an office?
2. What is meant by the straight line principle in laying out an office?
3. You've probably heard the axiom—"a straight line is the shortest distance from one point to another." Could you apply it in laying out an office? How?
4. What considerations should govern the arrangement of desks?
5. How should desks be arranged with regard to aisles?
6. Would it be economical to have your desk placed 20 feet away from the person with whom you are working?
7. If you discovered that you were wasting time because your desk was inconveniently situated, what would you do about it?
8. In one office a clerk gets \$3 a day. He walks 20 feet to the files 20 times a day and it takes him 2 minutes each time. How much money would the company save every day if his desk were moved right next to the files? How much in a year?
9. How near to the worker should drinking fountains be located?
10. Will a diagram of the office give the manager any indication as to whether the layout is effective or not? If so, how?

STANDARD QUESTIONS

Hiring, training, and holding employees

1. What does it cost approximately to hire, place, and train a new employee?
2. Is it necessary to use a good deal of care in selecting employees?
Why or why not?
3. How does the employment manager decide whether the applicant is up to the standard required for the position?
4. How does the manager decide just what kind of work each employee is best fitted for?
5. Name several methods of teaching new employees.
6. What method do you consider most effective? Why?
7. What are standard practise instructions?
8. Write out standard practise instructions for some operation you are familiar with—e.g., knitting a sweater—playing a game—baking a cake—weeding a garden—sharpening a pencil.
9. What are the three essential points a new employee should know in order to get a proper start?
10. Are most managers eager to keep their employees contented? Why or why not?
11. Why is it advisable to hold on to capable employees if possible?
12. What is one of the most important considerations in keeping employees contented?
13. How is it possible to know just what an employee is worth?
14. Name several methods of checking up the work of an employee.
15. What is meant by a bonus?
16. What is the purpose of paying a bonus?
17. What is the best way, in your opinion, of filling vacancies? Why?
18. Is it a good idea to have an understudy in training for every position?
Why or why not?
19. Do you know of any concern that does welfare work among its employees? What sort of welfare work?
20. Why does a company carry on welfare work?
21. What influence have comfortable working conditions on keeping the workers contented?
22. Is it just for kindness' sake that employers are interested in the health of their employees?
23. Why do some concerns have schools for their employees?
24. How can they afford to pay salaries to employees while learning?
25. Why do some employers encourage employees to purchase stock in the company?

STANDARD EXERCISES

Some problems in office efficiency

1. A firm employing eight addressing typists found that by standardizing the work and using the block form of address they gained 25% in efficiency.

How much would the same improvement save a firm employing 12 typists at \$800 each a year?

2. If the average distance from the desks to the drinking fountain is 100 feet and it requires 2 minutes for a clerk to get a drink and return to his work, how much time will 2,000 clerks lose in a year of 300 working days if they make an average of 5 trips a day?

3. At an average of 25 cents an hour how much money would be saved in 10 years by placing fountains 20 feet from each clerk?

4. If it costs \$100 to hire and instruct a clerk, what will the yearly expense be in an office where 400 new clerks are employed every year to maintain a working force of 200? It is estimated that 20% of the force is changed by death, accident, or some unavoidable cause and should not be charged to labor turnover expense, as it is called.

5. A clerk opening mail found that by standardizing her work it was possible to handle 300 letters an hour instead of 80 letters an hour under her former methods. What is the percentage of improvement?

6. A few years ago 41 operators of the Curtis Publishing Company produced 48,000 square inches of typewritten matter in a week at an average weekly wage of \$9. How much did this work cost for each 1,000 square inches?

7. After adopting a standard, 27 operators in the same department produced 115,000 square inches and were paid an average wage of \$11 a week. What was the cost for each 1,000 square inches?

8. What was the percentage of increase in efficiency?

9. What was the percentage of improvement in wages?

10. Two typists were taken from a noisy general office and placed in a quiet room. They increased their output 100%. What saving in a year would be effected with a force of 200 typists at an average salary of \$18 a week?

CHAPTER XIV

OPPORTUNITIES FOR EMPLOYMENT

EMPLOYERS are looking for high-grade help. There are more really good jobs open right now than there are applicants for those jobs. Strange though it sounds, it is the truth. And one of the purposes of these lessons has been to prepare you for one of these high-grade jobs, not only by showing you the methods others are using to succeed, but also the way to approach your prospective employer in order to make a favorable impression.

When you apply for a job, you are a salesman. You are selling your services, and in order to sell your services you must find someone who wants the particular kind of services you have to sell, and who is willing to pay the price you think your services are worth.

Taking an inventory of yourself. Your first task then is to find out who wants to hire you. This means that you must analyze yourself; you must find out, if possible, just what work you are best fitted for and how well fitted you are for that work. What do you know? How much are you worth? Take an inventory of your stock on hand. You should know your own personal assets and liabilities before engaging in business for yourself or others.

It is not necessary to publish your estimate of yourself; others will draw their own conclusions from the records you make. Repeat this inventory occasionally. Compare your estimates from time to time and observe whether you are progressing or retrogressing. But be honest with yourself; you gain nothing by trying to deceive yourself as to the facts. Face them openly, and see where you can improve on the showing. Mark each question on the basis of five points for a perfect score, or 100 points for all the questions.

SOME PERSONAL QUESTIONS

1. Am I physically fit? Am I up to the standard for my age in weight and height?
2. Am I fond of out-door recreation? Do I excel in any athletic games?
3. Have I decided on my vocation? Am I doing anything that is directly preparing me for my life work?
4. Am I neat and careful in my work? Do I give enough and yet not too much attention to my personal appearance?
5. Am I a coward physically or mentally? Do I have the tenacity and will-power to stick to my work and face difficulties?
6. Do I perform my mental and physical work to the extent of my possibilities? Am I above the standard in my line of work?
7. Am I a shirker? Am I interested and attentive to detail, or am I looking for the easy job?
8. Am I punctual in all my work and appointments? Have I attended school or kept other engagements for several years without failure?
9. Am I a knocker or a grouch? Am I as cheerful and polite at home as I am with strangers or in business?
10. Do I choose the right kind of associates? Am I fond of gambling or any game of chance?
11. Do I enjoy reading good books or magazines? Am I interested in the things that have made others successful?
12. Am I fond of music or art? Do I have a hobby which may be of permanent value?
13. Do I control my temper? Am I invariably courteous to others?
14. Am I truthful at all times? Do I deceive myself as to my honesty?
15. Am I accurate and rapid in my work? Am I interested in improving my efficiency?
16. Did I ever get a job by my own effort? Am I capable of filling some position well? Have I cultivated my observation and memory?
17. Am I loyal to my employer and friends? Can I be relied upon in time of trouble? Do I talk too much?
18. Have I a savings bank account? Do I save money because I am stingy or selfish? Do I want money to spend in self-indulgence?
19. Have I formed habits of thinking and doing which may some time injure my health or character?
20. Do I wish to succeed for the purpose of showing off, to have an easy time, or to satisfy my ambition or appetites?

Picking out your weak points. Perhaps your answers to these questions will give you some things to think about. After adding up the number of points you have made, ask yourself if there's any reason why you can't make 100 points. Undoubtedly you made the full five points on some of the questions; why didn't you make five points on every question?

Run back over those on which you marked yourself less than five points and try to find out what you lack on each point to bring your standard up to five; when you have decided what you need, determine then and there to start to improve yourself and bring your standard up. No one else can do it for you; if you haven't interest enough in your own self to do it, surely you can't expect anyone else to have that interest in you. You will be surprised to find how much progress you can make.

What employers are looking for. Having analyzed yourself and found what your strong points are, you must look around to see who wants an employee with strong points like yours. A large number of employment managers met in Chicago a short time ago for the purpose of discussing the subject: "Positions I find the most difficult to fill, and why." It was generally conceded that it is difficult to find trustworthy and competent employees with the qualifications listed below. Here is what these employment managers decided they wanted in the people they hire:

1. Loyalty, reliability, and truthfulness
2. Will-power or tenacity of purpose
3. Accuracy and attention to detail
4. Memory and ability to follow directions
5. Perseverance and willingness to be workers before being bosses
6. Interest enough to do your best and cooperate
7. Initiative to plan for your future
8. Observation and care in your work of today
9. Judgment and discrimination of relative values
10. Wisdom to know when to keep your mouth shut

While there are probably few employees with all these desirable qualities, yet after all the acquiring of most of them is largely a matter of self-training and development. Everything depends largely on your own efforts.

A few of the possibilities. A quick glance over the field of work open to you will help you to determine what business you wish to get into. If you decide to learn a business such as lumber for instance, or hardware, you will expect eventually to know that business from top to bottom, inside and out. In other words, you will become an expert in that particular industry and you will know little about any other.

Practically all human activity can be expressed in the terms used by the Declaration of Independence—the providing and maintaining of the factors essential to life, liberty, and the pursuit of happiness. What things are essential to life? Food, clothing and shelter. To liberty? Protection and education. To the pursuit of happiness? Nearly everything that is not included in the other two.

Another division into which all of these factors can again be separated is that of necessities and luxuries. Some foods are necessities, others are luxuries; some clothing is a necessity, some clothes are luxuries; some shelter is a necessity, some palaces are luxuries. The dividing line between necessities and luxuries is not clearly defined, nor will it ever be, probably, but you will find that as the things essential to life and liberty approach the description of luxuries, they also become more or less essential to the pursuit of happiness.

You have, therefore, two standards by which to choose—one the kind of work you feel would interest you most, and the other the kind of work which would probably be in most demand; in short, the line in which you could do the best work, and the line which will pay you the most money for your efforts.

Why it is worth while. This may seem like a lengthy job and rather tedious, perhaps. But it is your life work you are planning for, and a few days or a week, or even a month or more, spent now in finding where you belong will be well spent. How old are you now? How many more years do you expect to live? What proportion of the years you expect to live is the number of years you have already lived? Is it worth while, then, to plan for those years ahead? You aren't planning only for the next two or three years—you are planning for the next 20, 40 or 60 years, depending on how old you are now. And what you do in those 20, 40, or 60 years will depend largely on the nature of the steps you take now.

Pick out two or three of the really big men in the lines of business you have chosen. Call on these men, and ask them questions about their work and what opportunities it offers to you. If you approach them in an earnest, sincere, businesslike way, you will find these men, whose time is so valuable that it

Record of Previous Employment

Give your present or last position
first and other positions in order

1 Last position

Employer	Address
----------	---------

Business	From	19	To	19
----------	------	----	----	----

Position held	Under whom	Salary
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Reason for leaving

2 Next to last position

Employer	Address
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Business	From	19	To	19
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Position held	Under whom	Salary
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Reason for leaving

3 Third last position

Employer	Address
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Business	From	19	To	19
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Position held	Under whom	Salary
---------------	------------	--------

Reason for leaving

4 Fourth last position

Employer	Address
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Business	From	19	To	19
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Position held	Under whom	Salary
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Reason for leaving

FIGURE 75: This is the other side of the application blank shown on page 217. It tells in brief a history of your business career, and so gives the employer an indication of your experience. It tells what kind of work you have been doing, what salary you received for that work, and other important facts about your former work.

cannot be bought, will ordinarily give you their attention and you will be able, perhaps, to go through their offices and shops and plants and find out at first hand whether the work would appeal to you or not. Thus you can get a line on almost any business, and determine more easily which one you want to enter. Of course, you can hardly expect to include everything in one or two hasty trips, but you can at least get some ideas.

Selecting your employer. Having determined the line of endeavor you want to take up, two ways of getting a position are open to you. One is to scan the classified advertisements in the newspapers and trade journals; the other is to select the most progressive concerns in your line and write to the employment managers. Whichever way you choose, the information desired by your prospective employers is much the same—the main points on which you will be judged are what you can do and how well you can do it. That is, if you are selected for a position, it will not ordinarily be because of your knowledge, but how well you can apply that knowledge.

In many instances you will be given an application blank to fill out. The care with which you fill out this blank, and your answers to the questions asked, will go a long way toward determining whether or not you are fitted for the job.

If, on the strength of your written application, the manager is interested to consider you further for the position at his disposal, he may ask you to call and see him. Or, if you are in his office when you make out the application blank and he is in a hurry to fill the job, he may see you then and there. Some managers, unless the need is urgent, do not like to decide at the time of the first call, but will ask you to come again the next day, or possibly later the same day. This also gives the manager an opportunity to look up your references and to satisfy himself as to your character.

Tests to measure your ability. Certain tests may be required of you to determine your knowledge, ability, and mental alertness. One of the tests given applicants for the position of typist in a large department store is to copy the following quotation, making all the necessary corrections. The instructions are to do it as quickly and neatly as you can, but to be

sure you correct every mistake in spelling, punctuation, and capitalization. You are timed on this, to see how near you come to the standard of 210 words in 3 minutes.

WHERE PERSONALITY COUNTS

Business men and Execitives are looking everywhere for young Men and Women of the right calaber to bring into their organizations and develope them up to the point of highest efficiency. They want the kind of young people who are equiped with that elusive thing called personality—That unexceeded ground-work for success.

They want people who make a good impresion on others, who show in their apearance, maners and activities that they posses the success qualities, they want people who are capable of conducting transactions with other people, to represent the house in a fitting way—people with grasp and comprehension, initiative and decision.

Personality comes into play where an impresion is to be made on other people, a man may have a sturling character and ability of high order, but when it comes to makeing others realise these qualaties he must have the power in some sense at least of making others appretiate them in him, in other words, he must know how to display his goods to the best advantage so far as the other fellow is concerned.

Go into the office of any succesful man and an interesting study in person-ality confronts you, the personal appearance of the man, his manner, his bearing, his way of looking at you—all these impress you.

Can you follow instructions? Here is another test which will show the employment manager who uses it whether or not you are above or below the standard required in ability to interpret quickly, carefully, and accurately, and to carry out printed instructions:

This exercise is given for the purpose of testing your speed, accuracy, and ability to interpret correctly what you read. It is really a game which enables you to compare your score and efficiency with that of other applicants for the same position. Each question is worth a certain number of points and your total number of correct points earned, divided by the number of minutes you required for answering the questions, will give your score per minute. Answer all questions as quickly and accurately as possible and hand in your paper as soon as completed, so that your exact time may be recorded as a part of your record.

1. Read the above paragraph and state how your score per minute will be obtained.
2. How many words in the same paragraph?
3. How many sentences in the same paragraph? If the first sentence is the longest, underscore the first word of the last sentence. If the third sentence

is the longest sentence in the paragraph, make three dots underneath the last word of the last sentence.

4. How many letters in the longest sentence?

5. In the same paragraph underscore each word containing exactly four letters.

6. If efficiency is the longest word in the paragraph, draw a ring around the first word of the paragraph. If some other word is longer, place a dot underneath each letter of the longest word.

7. Give the number of e's and o's altogether in the paragraph.

8. Write all the letters of the alphabet. Repeat 3 times.

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9. Write the nine digits. Repeat nine times.

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10. An even number is one that is exactly divisible by 2. An odd number is not exactly divisible by 2. Draw a ring around all the even digits which you wrote in 9. If you have written more odd digits than even, draw a line through all the a's, e's, i's, and o's which you wrote in 8. If there are more even digits than odd, draw a line through all the nines.

It is possible to make 1,000 points if all of these questions are correctly answered. The most accurate pupils will finish the work in 20 minutes or less. This makes an average of 50 points

a minute for the standard. High school 9th grade pupils will average 33 points. Employment managers will give an applicant a trial if he can make the average of 33 points, but anything below that is considered hopeless.

Are you a clear thinker? An interesting test which gives an employment manager an idea of your mental alertness is this one:

Place a cross, like this X, before each statement or definition which is reasonable and correct. If you think it is not, you may write the sentence correctly.

1. Living expenses are higher in the country than in the city.
2. There is a greater variety of amusements in the country than in the city.
3. The schools in the country are better than those of the city.
4. It is pleasant to breathe the odors of the plants in the country.
5. It is generally conceded that farmers have fewer accidents than people living in the city.
6. It is pleasant to ride to and from the city daily.
7. It is pleasant to hear the birds singing and the roosters crowing and the horses neighing at dawn in the morning.
8. Our best business men were brought up in the country.
9. The automobile is a great time saver; therefore the farmer who owns one spends more time at his work.
10. More people attend church since the automobile has come into general use because it is so easy to get there.
11. People read more because they can read while riding in an automobile.
12. People owning automobiles save money because they do not spend so much carfare.
13. Driving a car is not so dangerous as driving horses, so there are less accidents since automobiles came in use.
14. To write is to make words on paper with a pen or pencil.
15. To solve a problem is to make figures and put them in the proper places.
16. A chair is a piece of furniture on which we may comfortably sit.
17. The boundary between two states is a line which shows where one state begins and another ends.
18. The boy said he could solve the three last problems.
19. If Sunday were called Monday, then Thursday would be Friday.
20. Edison invented the Bell telephone.
21. The laws of England do not permit a man to marry his widow's sister.
22. Our president's name eight years ago was Wm. H. Taft.
23. Richard wrote "Poor Richard's Almanac."
24. The boys are not allowed to wear soft collars and cuffs on their pants.
25. The Indian was 80 years old and looked twice his age.

26. The adversaries were given pistols and placed an equal distance from each other.

27. A woman said she had no children and that her mother was afflicted in the same way.

28. The unfortunate patient lay speechless for six long weeks in the month of August, crying incessantly for water.

29. With these few words he lit a cigar.

30. A child wearing a pink dress was run over by a wagon four years old and terribly injured.

31. If 18 eggs cost 18 cents a dozen, one egg costs one cent.

32. If 3 cats catch 3 rats in 3 minutes, one cat will catch one rat in one minute.

33. If 3 men standing on a mountain can see 9 miles, one man can see one-third of 9 miles or 3 miles.

34. If a calf weighs 75 pounds standing on 3 legs, it will weigh 100 pounds while standing on four legs.

35. Moses drove the animals into the ark two by two.

36. Americus discovered America in 1492.

37. Thomas Jefferson wrote Franklin's autobiography.

38. Samuel F. B. Morse invented the wireless telegraph.

39. Robert Fulton invented the steam engine.

40. George Washington wrote the Declaration of Independence.

EMPLOYMENT STANDARDS

Suggestions that may help you

1. Do not apply for a position you cannot fill.
2. Do not answer an advertisement if you don't fit the requirements.
3. Don't say you are better than you know you are.
4. Don't lie about your age or about anything else.
5. Do not fail to obey instructions.
6. Do not hesitate in answering questions.
7. Do not ask unnecessary questions.
8. Do not fail to be polite.
9. Do not fail to be clean and neat in appearance.
10. Don't say: "I feel that I am capable."
11. Don't waste words on unimportant details.
12. Don't fail to tell what you can do—and then stop.
13. Don't fail to answer all the questions in the advertisement.
14. Don't have someone write your letter for you.
15. Do not make any mistakes in spelling and punctuation.
16. Do not use worn-out forms of expression.
17. Do not make mistakes in the mechanical construction.
18. Do not boast or cringe.
19. Do not be afraid to ask what your services are worth.
20. Don't sign your name with the typewriter.

21. Don't use the typewriter if it is necessary for your prospective employer to see your handwriting.
22. Don't use fancy letter paper.
23. Don't use hotel paper or the letterhead of your last employer.
24. Don't send a letter that is soiled or that contains erasures.
25. Don't fail to fold your letter properly.
26. Never forget to look pleasant and be cheerful.
27. Never look for the easy job or "soft snap"; it doesn't lead anywhere.
28. Never forget that you learn to climb mountains by climbing.
29. Never forget that hard work is a game you can enjoy.
30. Never forget that you can do something well if you really want to do it and know how.
31. Never forget that what you do, counts for more than what you can do.
32. Never forget that what you are, means more to you than what you do.
33. Is it your fault or the employment manager's if you don't get the position for which you apply?
34. Is it better to be able to do a number of things fairly well or one thing exceedingly well?
35. What would you think of greatest importance in preparing yourself for an office position?
36. Suppose you could write 100 words a minute on the typewriter but your application blank revealed an untruth, do you think you would get the job?
37. Suppose you were interested in your work, accurate and rapid in execution, but talked outside about the secrets of the office; how long would you hold your job?
38. How would neatness, accuracy, speed, and perseverance as a book-keeper compare with trustworthiness?
39. How would ability, experience, and initiative as a stenographer compare with reliability?
40. Would an employer keep experienced and capable help who did not have good health?
41. Would an employer keep a superior stenographer who was careless and slovenly in appearance?
42. Would an employer keep a clerk who had ability and perseverance if he was grouchy or impolite?

EMPLOYMENT STANDARDS

Getting a bond

In addition to the questions asked applicants for a position, the surety companies will ask you for information that is decidedly personal, before they will guarantee your honesty.

1. Give your name, age, residence, and a full personal description of yourself.
2. What is the nature of the business carried on by your employer?
3. How long have you been in the service of your present employer?

4. How long have you been in the position for which the bond is required?
5. Who will pay the premium for this bond?
6. If you have ever furnished any other bond, why was it discontinued?
7. Has a loss ever been paid on your bond?
8. What salary will you receive?
9. Are you responsible for any losses occasioned by bad credits?
10. If you own any real estate, where is it located and what is its value?
11. If you own any personal property, of what does it consist?
12. Is there any incumbrance on your property? If so, how much?
13. What other indebtedness have you?
14. How much property do your parents own?
15. How many persons are dependent on you for support?
16. If your life is insured, to whom is the policy payable?
17. Were you ever in business on your own account?
18. What were your reasons for discontinuing your business?
19. Did you ever make an assignment for the benefit of your creditors?
20. Do you occasionally invest in stocks, grain, oil, or real estate?
21. When and by whom were your accounts last examined?
22. If you have ever been discharged from any position, state why.
23. Where and when were you born?
24. If you were foreign-born, how long have you been a resident of the United States of America?
25. If you have been naturalized, give the date, the place, and the court.
26. Of what country are you a citizen if you are not naturalized?
27. Do you ever use alcoholic liquors? Did you ever use them to excess? If so, when?
28. Give the names and addresses of your employers for the past two years.
29. Give the names and addresses of three of your school teachers to whom we can refer.
30. Give names and addresses of three persons, not relatives, to whom we can refer.

EMPLOYMENT STANDARDS

What the bonding companies want to know about you

On page 226 are some of the questions that a surety company will ask your instructors, your employer, and your references. There is a reason for asking each question. How do you think a truthful answer to each one would influence the bonding company in case you were to be promoted to a position of trust and were required to furnish a bond?

A large New York surety company says: "This form must be returned to the home office of the company before any bond will be issued. As we depend largely upon an applicant's record at school and with his former employer for an estimate of his general worthiness of guarantee, we would thank you for answers to all questions asked, assuring you that any information given us will be treated as strictly confidential, and will be used by us solely in judging the risk."

1. How long was the applicant in attendance?
2. Do your records show punctuality in attendance?
3. Do your records show good deportment?
4. Did he give good attention to his studies?
5. Was he a student of ability?
6. Was he known to have any bad habits?
7. Were his companions favorable associates?
8. Was he ever known to bet or gamble?
9. Was he addicted to the use of any liquor, drug, or opiate?
10. Was he ever fond of speculation?
11. Have you ever known or heard of any dishonorable action?
12. Was he good-natured or irritable?
13. Was he level-headed or erratic?
14. Was he careful or careless about his work?
15. Was he honest and truthful?
16. Was he a willing worker?
17. Was he careful or careless about his personal appearance?
18. Was he afraid of long hours?
19. Did he generally try to give satisfaction?
20. From your acquaintance with him and his antecedents, do you regard him as entirely trustworthy?
21. If ever in your employ, what objection, if any, would you have to employing him again?
22. What position did he occupy in your service?
23. Did his duties embrace the handling of cash?
24. Did he always make prompt and correct settlement?
25. For what reason did he leave your service?
26. Was he in debt to you at the time he left your service?
27. How long have you known the applicant?
28. Why is bond now wanted on his behalf?
29. What will be the title of the applicant's position?
30. How much is his salary and when will it be paid?
31. What is the largest amount of cash he will be permitted to control at one time?
32. State whether applicant is permitted to indorse checks drawn to your order.
33. Can he sign checks without the countersignature of some other person?
34. What means will you use to ascertain whether his accounts are correct?
35. How often will his accounts and books be audited?
36. Has he ever been short in his accounts with you?

EMPLOYMENT STANDARDS

Getting a job

Here are some of the questions that must be answered by applicants for a position. They were taken from the application blanks of several different

firms. Why do you suppose that any company would care to know the answer to each of these questions? Do you think you could answer them satisfactorily?

1. Give your name, age, height, weight, the color of your hair and eyes, your complexion, and nationality.
2. What schooling have you had?
3. What school did you last attend?
4. How long has it been since you left school?
5. Why did you stop school when you did?
6. Why did you leave your last position?
7. If you are now employed why do you wish to change?
8. Do you live with your parents?
9. Have you anyone dependent on you?
10. Do you attend church?
11. Are you addicted to the use of tobacco, liquor, or opiates?
12. Is your health good?
13. Do you have any defect of sight, hearing, speech, or limb?
14. What are your favorite forms of recreation?
15. To what club, union, or society do you belong?
16. Have you done any studying since leaving school? If so, what?
17. Have you ever been discharged? Give full particulars.
18. Have you ever been charged with being in arrears in any position?
19. Did you ever give a surety bond?
20. Would you be willing to do so, if required?
21. Are you financially interested in any business?
22. Have you any income aside from your salary?
23. To what extent have you engaged in speculation?
24. To what extent are you in debt?
25. Do you carry any life insurance?
26. Do you carry any accident insurance?
27. Have you ever been involved in any lawsuits?
28. Do you own any real estate?
29. Have you a savings bank account?
30. If married, give the name and address of your wife or husband.
31. Give the name and address of your parents, if living.
32. If you are not married and your parents are not living, give the names and addresses of your nearest relatives.
33. Are you subject to dizziness or fainting spells?
34. What long or serious sickness have you had?
35. Have you ever been injured? If so, to what extent?
36. Were you ever operated on? If so, for what?
37. What languages do you speak or write?
38. Are you good at figures?
39. What kind of work do you like best?
40. What work do you think you are best qualified to do?
41. Have you ever been expelled from school?
42. Give the names and addresses of your last three employers.

43. Give the names and addresses of three persons, not relatives or employers, who can certify as to your character.
44. What leads you to make this application and why do you think you could succeed in this business?
45. If you subscribe regularly for some magazines, state which ones.
46. Name some book of fiction, travel, science, or business which you have read and liked.
47. What newspapers do you read, and which sections of these papers interest you most?
48. Do you belong to any athletic club or association?
49. Do you engage regularly in any athletic sports? If so, which ones?
50. Do you have any hobby, such as music, painting, or drawing?

STANDARD QUESTIONS

Getting a bond

1. In addition to the questions the bonding companies ask, they will also want to know the names and residence of your parents or nearest relatives. Why?
2. Would they prefer to have your relatives live in the United States or in a foreign country? Why?
3. Why do they want to know how much you are in debt?
4. Why do they want to know the color of your hair, beard, eyes, and complexion?
5. Does it make any difference to them about your size and weight? Why or why not?
6. Why do they always insist on knowing the names and addresses of your former employers?
7. Do they place much dependence on your school record? Why or why not?
8. Would they pay much attention to the report from a reference who knew you only slightly? Why or why not?
9. Why do they want to know about the way your employer conducts his business?
10. If their premiums are paid promptly does it make any difference about the amount of your salary or income? Why or why not?

CHAPTER XV

PERSONALITY IN BUSINESS

BUSINESS is a game, and those who would win must pay the price. You cannot "play the game" unless you know the rules, and apply them.

Where shall I start? At the bottom. All big men started at the bottom; that's where everything that is worth while starts. The only way to build a solid, substantial foundation is to begin at the bottom and work up; and the speed with which you climb depends entirely on yourself.

How to play the game. If you have mastered the lessons in this volume you have made a start; you are ready for the next step and that next step is to apply to your daily work the principles you have learned here. The road before you is not an easy one; it is no road for a shirker; hard work lies at every step of the way, especially at the start. But you can lighten the load considerably and make progress faster and enjoy yourself as well if you will always keep in mind this one suggestion:

Throw your whole soul into your work; make a game out of it; and "get into the game."

What others have done you can do. You will find help and inspiration from knowing how other men became successful. If you can learn the methods used by these men to get ahead, you can use these same methods to get ahead yourself; it requires only determination and application.

Howard Elliott, president of the Northern Pacific Railroad, says:

"If you would increase your power, you must know yourself through self-analysis; and having become acquainted with the qualities possessed by you, you must so apply your qualities, your knowledge of human nature, and your knowledge of your

business, that you will create in the minds of those with whom you deal or come in contact the effects of favorable attention, interest, desire, action, confidence, and satisfaction."

Frank A. Vanderlip, president of the National City Bank of New York, says:

"A man's prospects are better if he had a humble start and worked his way up. Conquering adversity begets strength. He must be a good team-worker—this is important. He must be more concerned in getting a thing done than in getting credit for it. Finally in all things a man must have common sense, horse sense, gumption—call it what you will."

How a railroad president started. Daniel Willard began railroading as a track laborer and is now president of the Baltimore and Ohio Railroad. His philosophy of "getting on" is:

"I have always tried in every position to suit my employer, to make myself as useful as I knew how, never bothering about the number of hours I put in if there were things that needed to be done. I have always been an early riser. It is well to read up everything within reach about your business; this not only improves your knowledge, your usefulness, and your fitness for more responsible work, but it invests your work with much more interest.

"I had no special advantages. I had no superior education, no unusual mental gifts, no physical advantages, no influential friends, no money. I worked my way out of the rut by determination to keep right on doing the best I knew how to fill my job, plus, and losing no opportunity to increase my fitness for my job."

From a dollar a day to a million a year. Charles M. Schwab, chairman of the Bethlehem Steel Corporation, began work in the steel business at a dollar a day and now receives a salary of approximately \$3,000 a day. Mr. Schwab says:

"The prevailing idea about genius is all nonsense. I have found that the surest way to qualify for the job just ahead is to work a little harder than anyone else on the job you're holding down. To my mind, the best investment a young man starting out in business can possibly make is to give all his time, all his energies to work—just plain, hard work. The captains of in-



FIGURE 76: Miss Nellie M. Scott, president of the Bantam Ball Bearing Company, was once a stenographer.



FIGURE 77: Rear Admiral Samuel McGowan believes that offices, like ships, should be "stripped for action."



FIGURE 78: Thomas E. Wilson, the president of Wilson and Company, packers, started as an office clerk.



FIGURE 79: Julius Rosenwald developed Sears, Roebuck and Company into the largest mail-order house there is.



FIGURE 80: Frank A. Vanderlip worked on a farm—now he's president of perhaps the largest bank in the country.



FIGURE 81: Charles M. Schwab says: "I work just for the pleasure I find in work, and in developing things."



FIGURE 82: Walter H. Cottingham believes that enthusiasm is one of the greatest aids to success there is.



FIGURE 83: Judge Elbert H. Gary is chairman of the greatest industrial organization in the country.

dustry are not hunting money. They are seeking brains—specialized brains—and faithful, loyal service. Brains are needed to carry out the plans of those who furnish the capital.”

A big man's secret of success. Judge Elbert H. Gary, chairman of the United States Steel Corporation, compiled the following prescription for the young man ambitious to attain success:

1. He should be honest, truthful, sincere and serious
2. He should believe in and preach and practice the Golden Rule
3. He should be strong and healthy, physically and morally
4. His habits and mode of living should be temperate and clean, and his companions selected with regard to their character and reputation
5. He should possess good, natural ability and a determination constantly to improve his mind and memory
6. He should possess a good education, including particularly the fundamentals, such as mathematics, grammar, spelling, writing, geography, and history; and also a technical education concerning the lines he proposes to follow
7. He should be studious and thoughtful, keeping his mind upon a subject until it is mastered
8. He should be conscientious, modest but courageous, energetic, persistent, even-tempered, economical, faithful, and loyal to his friends and the interests he represents.

We see then, that three things are essential: Study, training, and hard work. Walter H. Cottingham, president of the Sherwin-Williams Company, adds a fourth—enthusiasm. Here's the way he puts it:

“Knowledge begets confidence, confidence begets enthusiasm, and enthusiasm conquers the world.” This is the motto of Sherwin-Williams' salesmen all over the world. Perhaps you might find it worth memorizing.

What happened to a clock gazer. Two young men graduated from the same school under similar conditions, with practically the same educational qualifications. They were stenographers and began work in the same establishment at \$40 a month.

In three years one man was getting \$60 a month and was a good stenographer, but he was not likely to be promoted again soon. The other one was a manager at \$200 a month and was in line for further promotion.

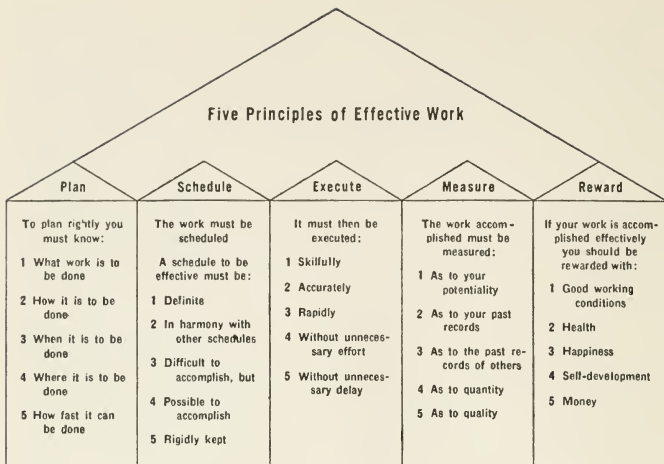


FIGURE 84: If you model all your work on these five basic principles, you will be more than likely to do all your work effectively. And if your work is effective, then you may expect your reward—health, happiness, self-development, and money

Save the Minutes! Time is the Most Valuable thing in the world!!													
The following table shows the amount that can be saved each year in wages by shortening the labor time required to perform an operation.	Saving % of Time	Min. per Hour	Means Saving Hours Per Year	Or a saving in the wage bill each year of the amounts shown below, according to the hourly rate									
				5c	10c	15c	20c	25c	30c	35c	40c	45c	50c
				Per Year	Per Year	Per Year	Per Year	Per Year	Per Year	Per Year	Per Year	Per Year	Per Year
	.016	1	40	\$2	\$4	\$6	\$8	\$10	\$12	\$14	\$16	\$18	\$20
	.033	2	80	4	8	12	16	20	24	28	32	36	40
	.05	3	120	6	12	18	24	30	36	42	48	54	60
	.066	4	160	8	16	24	32	40	48	56	64	72	80
	.082	5	200	10	20	30	40	50	60	70	80	90	100
	.10	6	240	12	24	36	48	60	72	84	96	108	120
	.116	7	280	14	28	42	56	70	84	98	112	126	140
	.133	8	320	16	32	48	64	80	96	112	128	144	160
	.15	9	360	18	36	54	72	90	108	126	144	162	180
	.166	10	400	20	40	60	80	100	120	140	160	180	200
	.183	11	440	22	44	66	88	110	132	154	176	198	220
	.120	12	480	24	48	72	96	120	144	168	192	216	240
	.216	13	520	26	52	78	104	130	156	182	208	234	260
	.233	14	560	28	56	84	112	140	168	196	224	252	280
	.25	15	600	30	60	90	120	150	180	210	240	270	300
	.266	16	640	32	64	96	128	160	192	224	256	288	320
	.283	17	680	34	68	102	136	170	204	238	272	306	340
	.30	18	720	36	72	108	144	180	216	252	288	324	360
	.316	19	760	38	76	114	152	190	228	266	304	342	380
	.333	20	800	40	80	120	160	200	240	280	320	360	400
	.350	21	840	42	84	126	168	210	252	294	336	378	420
	.366	22	880	44	88	132	176	220	264	308	352	396	440
	.383	23	920	46	92	138	184	230	272	322	368	414	460
	.40	24	960	48	96	144	192	240	288	336	384	432	480
	.416	25	1000	50	100	150	200	250	300	350	400	450	500
	.433	26	1040	52	104	156	208	260	312	364	416	468	520
	.45	27	1080	54	108	162	216	270	324	378	432	486	540
	.466	28	1120	56	112	168	224	280	336	392	448	504	560
	.483	29	1160	58	116	174	232	290	348	406	464	522	580
	.50	30	1200	60	120	180	240	300	360	420	480	540	600
True efficiency means making every MINUTE count.													
This table is figured on the basis of an 8 hour day, 300 working days in the year, 2400 working hours.													

FIGURE 85: You've probably heard that time is money, but perhaps you've never realized just how much money. This table shows how many dollars would be saved in a year if one minute were saved every hour and that minute well spent.

The employment manager gave me the secret of the difference in their progress. The first was a "clock gazer," not interested in his work, and never did anything more than he was required to do. The other one was always interested in his work, and was never afraid to make improvements, or suggest them at least, as well as to go ahead and do things without being told. He was always looking for a harder job and trying to make himself more valuable to the company. That, after all, is really all there is to initiative—being a "self-starter," instead of waiting for somebody else to "turn the crank" or to push the button. The man with initiative does not have to be pushed.

Some men never get up until they are called. If no one happens to apply the stimulus they are gunpowder without the spark, dough without the yeast, an engine without the steam.

What initiative means. An office boy in a New York concern was assigned to the station just outside the president's door. He hadn't been on the job long, but he understood his duties. The president from time to time would tell him things to do. He was to do them. That was all there was to it, as far as he could see.

One day the president called him in and said: "There's a baby buggy downstairs. I wish you'd take it out to my house."

Was he an ordinary new office boy? Did he ask any questions? He was not. He did not.

He left the room, got the address from a telephone book, then wheeled the baby buggy, a big one, out into the street and down into a subway station. There he learned the subway wouldn't carry it. He dragged it back into the street and up into an elevated station. The L-road wouldn't carry it, either. He tried to get on a surface car, with the same luck.

He considered walking; but it was seven miles, and the baby might be waiting. Also, the president might be needing him.

He called a taxicab, and piled the baby buggy aboard. At the house, he lacked money enough to pay the taxi fare, and so he made a round trip of it for himself.

He expected to be fired when he told the president about the \$8 fare waiting outside. Instead, his salary was raised. This is a striking example of initiative.

PERSONALITY STANDARDS

Are your chances any better than theirs?

1. Henry Clay began his career as a clerk in a lawyer's office.
2. Daniel Webster worked his way through college by teaching school.
3. Senator Clark, the multi-millionaire copper magnate, at one time sold maps for a living.
4. George B. Cortelyou, president of the Consolidated Gas Company of New York, began life as a civil-service stenographer.
5. Benjamin Franklin was the son of a tallow chandler and did without meat in order to buy himself books.
6. John Adams was the son of a poor farmer.
7. The father of Shakespeare couldn't spell or write his own name.
8. George W. Perkins, a New York financier, was a stenographer in his younger days.
9. Robert Burns was the son of a bankrupt.
10. James A. Garfield was a boy of all work; he was too poor even to have a trade.
11. Ulysses S. Grant was a tanner by trade.
12. Abraham Lincoln was a boatman and rail splitter.
13. Edward Bok, editor of the Ladies' Home Journal, was once a stenographer.
14. James J. Hill, the great railroad builder, began work as a section hand.
15. John Milton was blind when he wrote "Paradise Lost."
16. Frank A. Vanderlip, president of the National City Bank of New York, was once a stenographer.
17. Andrew Carnegie, who has given away more millions than any other man, began business without a dollar.
18. A prince is born to be a king and he can never rise above his station because he thinks he is already at the top.

PERSONALITY STANDARDS

Business maxims that have helped others

1. The only helpless people in the world are the lazy.
2. The wise man learns by experience, but fools never learn.
3. Procrastination is the thief of time.
4. Time is money. Thou shalt not steal.
5. Have a time for everything and everything in its time.
6. "By and by" leads to the road "never."
7. No man has any right to say he is of no account.
8. He who moves not forward goes backward.
9. Our work counts for more than our talks.
10. Trifles make perfection but perfection is no trifle.
11. One today is worth two tomorrows.
12. The deepest rivers flow with the least sound.
13. No man can contradict his own deed.

14. He who comes into court must come with clean hands.
15. Many promises lessen confidence.
16. No one can be profited by his own wrongs.
17. He that wrongs his friend wrongs himself more.
18. The bigger the work the greater the joy in doing it.
19. Luck consists in always being on the job.
20. It is not enough to be good—be good for something.
21. Concentration is the secret of strength.
22. A damaged reputation is hard to repair.
23. God helps them who help themselves.
24. Diligence is the mother of good luck.
25. A penny saved is a penny earned.
26. He is poor whose expense exceeds his income.
27. Better go to bed without supper than to rise with debts.
28. See'st thou a man diligent in his business; he shall stand before kings.
29. Love not sleep lest thou come to poverty.
30. Whatsoever ye would that men should do to you, do ye even so to them.
31. Don't let your wishbone take the place of your backbone.
32. Folks who never do any more than they get paid for never get paid for any more than they do.
33. A wise man will make more opportunities than he finds.
34. It may be a little farther around the corner of a square deal, but the road is better.
35. To rest content with results achieved is the first sign of business decay.
36. The talent of success is doing what you can well and doing well whatever you can.
37. Success does not consist in never making blunders, but in never making the same one a second time.
38. Even the fool when he holdeth his peace is counted wise.
39. I know what pleasure is, for I have done good work.
40. The only man who never makes a mistake is the man who never does anything.
41. Our doubts are traitors and make us lose the good we oft might win by fearing to attempt.
42. Blessed is the man who has found his work.
43. Talk less and listen more.
44. When in doubt mind your own business.
45. Failure is only for those who think failure.
46. Plow deep while sluggards sleep, and you'll have corn to sell and keep.
47. Today is short. Yesterday is gone. Tomorrow may never come. If you have anything to do, get busy.
48. Getting things done is largely a matter of getting things started.
49. Anything that is worth doing is worth doing well.
50. The world generally gives its admiration not to the man who does what nobody else ever attempts to do, but the man who does best what multitudes do well.

STANDARD QUESTIONS

What are your chances for success?

1. May a poor merchant succeed?
2. Can a poor doctor succeed?
3. Must a poor preacher succeed?
4. Might a poor teacher succeed?
5. Could a poor lawyer succeed?
6. Would a poor banker succeed?
7. Should a poor workman succeed?
8. In each of the first seven questions, substitute the word "good" for the word "poor" and see if the answers would be changed.
9. Substitute the word "incompetent" for the word "poor." How are your answers affected?
10. Substitute the words "hard working" for the word "poor." How are your answers affected?

STANDARD EXERCISES

The application of business maxims

1. Pick out 10 maxims which appeal to you particularly. Take each of the 10 maxims you select, and tell why you selected it, what its meaning is, and how you are going to use it to help you.
2. Explain the meaning of the saying "Procrastination is the thief of time."
3. How would you carry out the maxim "Have a time for everything and everything in its time"?
4. Do you believe that "No man has any right to say he is of no account?" Why or why not?
5. What is meant by "He who moves not forward moves backward"?
6. When would you use the saying "The bigger the work the greater the joy in doing it"?
7. What is luck?
8. What did one writer say was the secret of strength?
9. Explain the statement that "Folks who never do any more than they get paid for never get paid for any more than they do."
10. Do you believe that "To rest content with results achieved is the first sign of business decay"? If so, why? If not, why not?
11. Do you agree that "The only man who never makes a mistake is the man who never does anything"?
12. What do you think is the meaning of the quotation which begins, "Our doubts are traitors"—
13. Explain what is meant by "Failure is only for those who think failure."
14. What did a great man say about sleep?
15. What is the way to get things done?

CHAPTER XVI

STANDARDS AND TESTS FOR MEASURING YOUR PERSONAL EFFICIENCY

THE first thing we ought to know about standards is, of course, what a standard is. Now there are all sorts of standards, standards of size, standards of quality, standards of quantity, standards of speed, standards of height, and many more. But a standard, of whatever sort it may be, always has this characteristic—it is something by which we can measure something else.

One kind of standard. Perhaps you may have entered a contest at some time, a race, for instance. Perhaps there was a certain record you were out to beat, say $8\frac{1}{4}$ minutes. That was the standard time by which you were to judge your own running and measure your success. If you finished in 8 minutes, you were above the standard, but if it took you $8\frac{1}{2}$, you were 15 seconds below the standard. In that case the standard was a standard of speed.

Or say you are building a fence four feet high. You have boards of various lengths, some six feet long, some three feet, some four. Your standard is four feet—you measure all the boards by that standard and choose only those that equal the standard. Here your standard is a standard of height.

What standard methods are. Then there are also standards of method, standard ways of doing certain things. For instance, when we were studying about the correspondence department, we learned the best way to fold letters to fit window envelopes. That method is the standard, the best method of folding letters that has been discovered up to this time. Of course, if some thoughtful person works out a better way, his method will probably become the standard.

A standard method can be found for every operation in the office as well as in our daily lives outside of business. Whatever you are doing, there is one way of doing it that is best—best because the results are of the highest quality and because it takes less time and effort.

When you first tried to learn to skate, you probably have a vivid remembrance of how difficult it was and how you did little but stumble along—until you suddenly fell into the proper stroke; from that time on your skating improved continually and you began to go faster and faster. It is the same way with playing the piano. Until you acquire the skill, the best method, what is called technique, your playing is amateurish. But when you have once reached the standard, you are beginning to be a real musician.

How the standard is set. Whatever you are doing in the office—if it is only addressing envelopes—there is one method that will yield the best results, a standard method. The question now is—how to find the standard. The first step is to analyze the job, whatever it may be. Take the window envelop again. The expert who set the standard may have spent a long time in the mailing room before he drew up his plans. He watched girls folding letters, each one according to her own ideas. Some were fairly speedy; others accomplished about half as much as the fastest worker. He noticed that even the fastest worker went through unnecessary motions.

Finally he worked out a method which combined the best points of all the workers and omitted useless motions. This method then became the standard. He even took photographs of a girl folding letters, and these were given to the other girls in order that they might learn the standard method. Now they are all working according to the same plan.

Standard practice instructions. As soon as the standard method has been determined, instructions for performing the operation in the standard way are written down. These are called standard practice instructions. A great many concerns today have standard practice books or office manuals. These books contain the standard practice instructions for carrying on all the work of the office.

There are very good reasons for having all standard practice instructions written out. Written instructions are one of the best possible methods of teaching new employees their work. If there are no written instructions, and an old employee leaves, the manager may find that there is a vacancy to be filled and that no one in the office is familiar with the work. If, on the other hand, there are standard practice instructions for every job in the office, the manager can turn them over to the new employee with perhaps a word of advice and know that the employee is receiving accurate instructions.

Standards of accomplishment. Many concerns, in addition to adopting standard methods, set a standard amount of work to be accomplished every day—so many letters to be folded—so many square inches of typewritten matter to be typed, and so on. A celluloid scale for measuring typewritten matter is used for just this purpose—to measure accurately the work of the typists and stenographers. Those who reach or excel the standard rate of accomplishment receive more money.

How standards increase efficiency. Now we can see how standards may be used to increase the efficiency of the office in providing a basis for determining just what salary each employee is earning. It isn't fair, of course, for a worker who turns out a large amount of work to be limited to the same salary as her neighbor who does considerably less. And the probability is that the one who is doing less work could do much better if her methods were more efficient. When a standard method is determined upon—when all the workers are instructed in the use of the standard method—then there is no injustice in expecting a uniform amount and quality of work from all.

How you can use standards. You see then that a standard is something to measure by, something that can be used as a model. The question now is—how can you yourself make use of standards? The answer is so simple that you have probably guessed it already. You can use standards to measure yourself, measure your accomplishments, your knowledge, your accuracy, your speed. And so you will learn just where you are succeeding, where you are failing, which part of your work is up to the standard, and which part needs improvement.

Certain tests have been devised by which you can determine how nearly you measure up to the standard of accomplishment. The test which follows, for instance, forms a basis for measuring the quality of your memory and attention.

STANDARD TESTS

Tests for memory and attention

If you use the muscles of your arm they will grow strong, but if you tie your arm up in a sling your muscles will grow flabby and weak, no matter how much you desire to have them strong. If you do not use your mind you cannot expect it to develop any more than your arm would grow strong in a sling. If you wish to see what you can do in the way of mind training, practice these exercises and make a record of your improvement from time to time.

1. As you walk by a show window observe as many articles as you can and see how many you can recall afterward.

2. While riding in a street car observe six or more advertisements. Close your eyes and see how many you can remember.

3. Whenever you meet a stranger try to associate his name, face, or some striking characteristic with some known fact and remember the name as well as the face by the association of ideas. It is a valuable asset in business to be able to remember names and faces.

4. Have some one read to you numbers which contain six or more figures and see how many figures you can repeat without a mistake.

5. Read the following three words carefully once; then close the book and repeat each word: incomprehensibility, phthisic, parallelopipedon.

6. After reading the following instructions carefully close the book, and follow the instructions without any error. Draw a square, a circle, and an equilateral triangle, each one inch in diameter. Connect the lower left-hand corner of the square with the lower right-hand corner of the triangle. If the area of the circle is greater than the area of the square draw a dot in the center of the circle.

7. Draw a square, a rectangle, a parallelogram, and a parallelopipedon and have only one figure when finished. Refer to the dictionary if you do not know the meaning of the words.

8. Draw a horizontal line two inches in length and bisect it. From the right extremity of the line draw a perpendicular one inch in height. Connect the upper extremity of the perpendicular with the point of bisection in the original line. From the left extremity of the original line drop a perpendicular one inch in length. From the extremity of the last perpendicular drawn, connect the point of bisection of the original line. Without rereading these instructions, draw the figure.

What you can do with words. You will find that a good grasp of words, of synonyms and antonyms and homonyms, will

be a valuable help to you in business as almost everywhere else. If you should become a stenographer, you will have to know the meanings of words, how they are spelled, and the difference in meaning between words that sound alike but are spelled differently. Even more will you need a good vocabulary if you should happen to become a correspondent. Try out your vocabulary by taking this test. You should be able to finish it in 10 minutes.

STANDARD TESTS

A test of your vocabulary

Write a suitable synonym (similar meaning) after each word:

- | | |
|--------------------|----------------------|
| 1. contract | 13. economize |
| 2. amount | 14. exchange |
| 3. account | 15. sufficient |
| 4. frequent | 16. customer |
| 5. permanent | 17. postpone |
| 6. abandon | 18. slaughter |
| 7. efficient | 19. dishonest |
| 8. finish | 20. argument |
| 9. accurate | 21. necessary |
| 10. condemn | 22. durable |
| 11. approve | 23. discount |
| 12. receive | 24. prosper |

Write a suitable antonym (opposite meaning) after each word:

- | | |
|---------------------|-----------------------|
| 1. income | 13. intelligent |
| 2. similar | 14. difficult |
| 3. debit | 15. separate |
| 4. assets | 16. diminish |
| 5. accept | 17. valuable |
| 6. censure | 18. shortage |
| 7. simple | 19. punctual |
| 8. deficit | 20. sensible |
| 9. profit | 21. surety |
| 10. reliable | 22. wasteful |
| 11. prompt | 23. deposit |
| 12. agreement | 24. bankrupt |

Write a suitable homonym (similar sound) after each word:

- | | |
|------------------|--------------------|
| 1. capital | 6. allowed |
| 2. dun | 7. principal |
| 3. heard | 8. canvas |
| 4. route | 9. peel |
| 5. rap | 10. counsel |

11. seize	.....	18. currant	.....
12. weighed	.....	19. lien	.....
13. stationery	.....	20. medal	.....
14. steel	.....	21. waste	.....
15. clause	.....	22. bail	.....
16. straight	.....	23. plum	.....
17. leased	.....	24. loan	.....

When errors may be costly. Even in such apparently simple operations as addressing envelopes, copying names, and filing cards alphabetically, there is a standard of accomplishment by which you can measure your work. The standard speed set for the following exercise is 100 an hour on the typewriter or 250 an hour with a pen. However, never sacrifice accuracy to speed. A record of even 400 an hour means nothing if your work is untidy or inaccurate. A slight error in spelling a customer's name or address may mean the loss of that customer's business.

STANDARD TESTS

Testing accuracy, speed, neatness, and punctuation
in copying addresses for mailing and filing

Copy each of these names and addresses on one side of a 3 by 5 card just as you would on an envelop, punctuating properly, and abbreviating where it is logical. On the other side of the card arrange the name and address in the best form for filing alphabetically. Mark the exact number of minutes it takes you to write all the names and addresses, stating whether you used a pen or a typewriter. An easy way to keep time is to write down the time when you start and again when you finish. A fair typist can address 100 or more envelopes an hour—addressers using a pen can do 250 an hour.

1. T B Bridges Manager Heald-Dixon College Oakland California
2. Bishop Paul Restarick Honolulu Territory of Hawaii
3. James F Smith Esquire 1786 Magnolia Avenue Denver Colorado
4. Charles V Bloomington Attorney Little Rock Arkansas
5. Mrs Margaret W Eaton 957 East 24th Street New York
6. Captain John S Moore 231 Beemis Court Omaha
7. Mr W E G Foster Manila Philippine Islands
8. George N Carter Secretary Olympia Flour Mills Olympia Washington
9. Benjamin I Wheeler President First National Bank Des Moines Iowa
10. Doctor William A Wright 141 Cambridge Place Brooklyn New York
11. Honorable Peter Williams Providence Rhode Island
12. Miss Gertrude Hunter Fond du Lac Wisconsin
13. Thomas A Cook and Sons 56 Ludgate Circus London England
14. Nathaniel O Perry Senior 7182 West Sycamore Street St Louis
15. Maurice L Bond Junior Burlington Vermont

16. Colonel Claude Conrad Salt Lake City Utah
17. Messrs Judd and Todd Washington District of Columbia
18. Mr Earl A White Santa Fe New Mexico
19. Reverend Matthew 2 Taylor Fort Wayne Indiana
20. Mrs W B Manson 1373 Union Street Schenectady New York
21. A P Johnson Assistant Secretary Northern Life Company Portland
22. Miss Cora A Thompson Anchorage Alaska
23. Arnold J Bates President Arrow Mining Company Reno Nevada
24. Mr Homer K Baldwin Charleston South Carolina
25. William R Edwards Postmaster El Paso Texas
26. Mr Hugh T Jones Huntington West Virginia
27. H E Parish and Sons Cumberland Maryland
28. Mr Joseph O Davis Grand Rapids Michigan
29. Mr F E Davis Care of Bach and Land Boise
30. Marshall Field and Company Chicago Illinois
31. Mr Walter C Dole East Orange New Jersey
32. Mr Oscar A Wilde Paducah Kentucky
33. Bach and Buhl Lebanon Oregon
34. Miss Kate Fronsdal Bergen Norway
35. Mr Daniel Forest Pittsburgh Pennsylvania
36. Mr Harry T Coons Richmond Virginia
37. Robert E Forbes Attorney General Hartford Connecticut
38. Miss Nina D Langdon Kobe Japan
39. Mrs Belle Hart Sheffield England
40. Right Reverend Patrick J Reilly Rector St Anthonys Church Cohasse
41. Harvey B Black Doctor of Medicine Auburn Maine
42. Mr Herman Small Birmingham Alabama
43. Lieutenant L K Moore Oklahoma City Oklahoma
44. Miss Julia S Snow 83 Bryne Mawr Terrace Omaha Nebraska
45. Mr Lewis A Stone Nashville Tennessee
46. Albert Maxwell Civil Engineer United States Navy
47. Gordon and Company Newark Ohio
48. Mr Franklin Y Gault Phoenix Arizona
49. Mutual Life Insurance Company Dayton Ohio
50. The National Paper Company Atlanta Georgia

Do you know how to make figures? Almost any sort of office work you do will require to a greater or less extent the use of figures. It is very important, therefore, that you should be accustomed to make figures rapidly, accurately, and legibly. Especially if you are placed in an accounting department you will find that perhaps promotion itself may at some time depend on the figures you make.

There is no reason to be discouraged, however, if you feel that your figures now are not up to the standard. That is what

a standard is for—to give you a goal toward which to work. And if you try conscientiously to improve there is no reason why you should not succeed. Practice making figures with these suggestions in mind, and see if you do not notice an improvement.

PENMANSHIP STANDARDS

How to make or not make figures

1. Improve your spare moments by practicing the making of figures with a muscular movement; that is, use your whole arm, not just your fingers.
2. If you wish to improve rapidly, become interested in your practice and compare your work today with what you did yesterday.
3. Be sure to make all figures with the same slant you use in writing.
4. You should be able to make neat, legible figures at the average rate of 60 a minute.
5. Accuracy and legibility are the first essentials in making figures.
6. Speed and neatness with an artistic appearance are commendable.
7. Observe how practical bookkeepers or clerks make their figures and correct your own where you can make any improvement.
8. Here is a set of figures made by a penman for you to use as a model:

1 2 3 4 5 6 7 8 9 0

9. Observe that the figures are not all the same height. The 7 and 9 extend below the line and the zero is about as high as the 9, while the stem of the 6 extends above the others.
10. Do not make a hook when beginning the 1 or it may look like the 7.
11. Use care in making the 2 or it will not be the same slant as the other figures. Do not make it back-hand or vertical.
12. The lower part of the 3 should be twice as large as the upper part.
13. There are four things to observe in making the 4. The first stroke is a short straight line and comes nearly to the base line. The second line is about twice as long as the first, but is straight and parallel with the base line. The third line is about the same length as the second with a slight curve but practically parallel with the first line.
14. The lower part of the 5 may be made like the lower part of the 3, but the button-hook or fish-hook style generally increases the speed.
15. Do not try to make the 4's or 5's without taking the pen from the paper, lest your 4's look like 7's or 9's, and your 5's be taken for 3's.
16. Do not begin the 6 with a curve like the zero, nor finish with a large loop at the bottom, or your figure may look like a zero.
17. Do not make any extra hooks on the 7, as it is a waste of time.
18. Do not make the 8 backward or it may look like the zero.
19. The loop of the 9 may be placed on the line, but do not extend the stem so far below the line that it will interfere with other figures.

20. Make the zero small, round, or egg-shaped. It will not only appear more artistic but will avoid confusion with the 6.

Accuracy is required in this work. The next test will give you an opportunity to test your ability not only in making figures but also in using them. If you work in an accounting department, you will probably be asked to do some billing. In that work you must have your multiplication tables at your finger tips, and be able to add columns of figures quickly and correctly. The following exercise in billing furnishes a good test. You should be able to do it in four minutes. Time yourself and see how nearly your score reaches the standard not only of speed but also of accuracy.

STANDARD TESTS

To test accuracy and speed in billing

Time—4 minutes—allow 3 points for each correct product, and $8\frac{1}{8}$ points for each correct total. Possible score 100.

Find the cost of:

240	lbs. table salt	.....@	2½¢		
320	lbs. granulated sugar	.....@	6¼¢		
117	lbs. rice	.....@	11 1/9¢		
125	lbs. Rio coffee	.....@	28¢		
250	lbs. Mocha coffee	.....@	24¢		
144	lbs. dried apples	.....@	8½¢		
	3¼ lbs. dried beef	.....@	36¢		
	450 lbs. codfish	.....@	6⅔¢		
	1⅔ lbs. bacon	.....@	42¢		
	37½ lbs. chocolate	.....@	32¢		
126	lbs. Young Hyson tea	.....@	66⅔¢		
Total					

160	bu. wheat@	\$1.12½	<table><tr><td></td><td></td></tr></table>		
175	bu. clover seed@	3.60			
500	bu. timothy seed@	2.75			
328	bu. corn@	.62½			
243	bu. rye@	1.33⅓			
187½	bu. oats@	.56			
128 4/7	bu. potatoes@	2.80			
183⅓	bu. millet@	1.26			
110	bu. beans@	3.20			
Total.....							

256 horses.....	at \$125.00.....	<table border="1"><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>										
312 mules.....	at 166.66 $\frac{2}{3}$											
128 wagons.....	at 250.00.....											
231 trucks.....	at 333.33 $\frac{1}{3}$											
240 automobiles.....	at 750.00.....											
Total.....												

This is easier than it looks. You may also be called upon to add sales slips, to subtract a customer's payment from the amount he owes, to find the average cost of one article when the given price is for gross lots, or to multiply the price of an article by the number sold. The test which follows will perhaps help to show you how well you are fitted to do that kind of work. In each case the standard of attainment is 100 points in 10 minutes. How far above the standard can you go?

STANDARD TESTS

Fundamental processes in rapid calculation

Do not spend more than one minute for each group. Allow one point for each individual problem correctly solved, but you may allow one point for each column in addition and one point for each digit in the long-division answers. A total of 100 points is the standard score.

ADDITION

Possible points 15—Standard 10

786	947	687	798	679
843	586	734	386	756
956	753	695	759	835
328	679	378	834	397
596	285	576	748	756
877	836	748	986	675
485	673	863	865	899
758	898	975	289	685
<u>669</u>	<u>676</u>	<u>589</u>	<u>653</u>	<u>678</u>

SUBTRACTION

Possible points 20—Standard 10

5386	9256	7635	8372	9246
<u>2387</u>	<u>3478</u>	<u>5697</u>	<u>2479</u>	<u>2057</u>
9637	6364	8253	4246	8372
<u>2848</u>	<u>3695</u>	<u>2897</u>	<u>3897</u>	<u>3579</u>
6546	5257	8558	7562	8463
<u>3748</u>	<u>3568</u>	<u>1969</u>	<u>3795</u>	<u>2795</u>
9645	5583	9754	6345	7356
<u>4578</u>	<u>2695</u>	<u>2958</u>	<u>2567</u>	<u>3458</u>

DIVISION

Time 1 minute—Possible points 30—Standard 10—Record.....

19775 ÷ 25	9950 ÷ 50	31200 ÷ 75	25480 ÷ 80	9876 ÷ 12
9135 ÷ 45	15696 ÷ 48	52542 ÷ 63	25038 ÷ 39	43239 ÷ 71

CROSS MULTIPLYING

Time 1 minute—Possible points 20—Standard 10—Record.....

95	37	77	74	84	65	43	55	81	17
95	88	91	76	24	35	44	49	99	66
<u>95</u>	<u>88</u>	<u>91</u>	<u>76</u>	<u>24</u>	<u>35</u>	<u>44</u>	<u>49</u>	<u>99</u>	<u>66</u>
25	50	75	41	19	51	33	91	88	39
77	83	36	45	77	58	99	81	26	67
<u>77</u>	<u>83</u>	<u>36</u>	<u>45</u>	<u>77</u>	<u>58</u>	<u>99</u>	<u>81</u>	<u>26</u>	<u>67</u>

EXTENSIONS

Time 1 minute—Possible points 20—Standard 10—Record.....

.10 × 1927	=	45 × .13 1/3	=	.20 × 156	=
184 × .25	=	24 × 1.16 2/3	=	.75 × 28	=
.40 × 85	=	81 × .09 8/9	=	1.20 × 45	=
2.25 × 24	=	45 × .26 2/3	=	.375 × 56	=
96 × .0625	=	27 × 1.33 1/3	=	24 × .875	=
48 × .1875	=	42 × .24 5/6	=	32 × .5625	=
75 × .06 2/3	=			36 × .66 2/3	=

EXTENSIONS

Time 1 minute—Possible points 18—Standard 10—Record.....

1/5 × 15	=	15 × 2/3	=	3/4 × 36	=
35 × 5/9	=	2/3 × 4/5	=	3/4 × 8/9	=
3/4 × 1 1/3	=	6 1/4 × 4/5	=	3/5 × 4/6	=
12 1/2 × 7	=	7 × 6 1/4	=	7 1/2 × 7 1/2	=
9 1/2 × 8 1/3	=	8 4/5 × 7 3/10	=	8 1/5 × 6 3/5	=
24 × 9 7/8	=	28 × 24 6/7	=	36 × 49 8/9	=

ADDING FRACTIONS

Time 1 minute—Possible points 15—Standard 10—Record.....

1/8 + 1/7	=	1/5 + 1/6	=	1/5 + 1/4 + 1/2	=
3/4 + 7/8	=	2/3 + 4/5	=	2/3 + 3/4 + 1/4	=
11 1/2 + 58 1/3	=	10 1/2 + 16 3/4	=	2 2/3 + 1 + 2 1/2	=
17 + 25 3/5	=	6 2/3 + 46 2/3	=	1 1/2 + 2 1/3 + 3	=
44 4/9 + 22 2/9	=	16 3/4 + 124	=	1 1/4 + 1 1/2 + 1 3/4	=

SUBTRACTING FRACTIONS

Time 1 minute—Possible points 15—Standard 10—Record.....

1/6 — 1/7	=	1/5 — 1/9	=	2/3 — 1/4	=
3/4 — 3/8	=	7 1/2 — 5 1/3	=	8 1/4 — 2 3/4	=
9 — 3/5	=	9 — 2 1/2	=	6 3/4 — 3	=
26 2/3 — 13 1/3	=	37 1/2 — 12 1/2	=	62 1/2 — 12 1/2	=
25/3 — 8 1/3	=	33 1/3 — 100/3	=	73 1/3 — 6 2/3	=

FINDING 100% FROM FRACTIONAL PARTS

Time 1 minute—Possible points 18—Standard 10—Record.....

12	÷	2/3 =	15	÷	3/5 =	5/6 ÷ 5 =
7/6	÷	1 1/6 =	2 1/3	÷	2 4/5 =	11 ÷ 1/9 =
11 1/4	÷	1 1/4 =	8 4/5	÷	2 1/5 =	3 1/3 ÷ 2 1/2 =
9	÷	1/12 =	45	÷	5/6 =	45 ÷ 5/8 =
16	÷	2/9 =	24	÷	2/11 =	80 ÷ 5/16 =
2 1/3	÷	3 =	12	÷	2/15 =	25 1/4 ÷ 3 =

FINDING 100% FROM DECIMAL PARTS

Time 1 minute—Possible points 18—Standard 10—Record.....

197 ÷ .10 =	73 ÷ .20 =	123 ÷ .60 =
45 ÷ .25 =	33 ÷ .75 =	27 ÷ 1.50 =
35 ÷ 1.25 =	45 ÷ .625 =	45 ÷ .9375 =
15 ÷ .06 2/3 =	24 ÷ .66 2/3 =	28 ÷ .93 1/3 =
3.6 ÷ .375 =	.01 ÷ 10 =	3.9 ÷ .8125 =
10 ÷ .10 =	1.6 ÷ .0625 =	100 ÷ .001 =

An easy way to figure interest. Problems in interest are constantly coming up in every business. When money is lent or borrowed, interest must be reckoned. An easy method of figuring interest is in common use. Since 6% is the usual interest charged, we start with that. To find the interest on any amount for 60 days at 6% we simply move the decimal point two places to the left—that is, the interest on \$250 for 60 days at 6% is \$2.50, for 6 days \$.25, and so on. Here are some interest problems which can be solved by this simple method. Time yourself—you should be able to finish the 25 problems in from 5 to 7 minutes.

STANDARD TESTS

Problems in simple interest

Number	Principal	Years	Months	Days	Rate	Interest
1	\$350.00	.....		6	6%	.....
2	\$575.00	.....		60	6%	.....
3	\$120.00	.....		75	6%	.....
4	\$425.00	.....		40	9%	.....
5	\$450.00	.....		63	8%	.....
6	\$675.00	.....		80	4½%	.....
7	\$144.00	.....		121	5%	.....
8	\$735.00	.....		120	3%	.....
9	\$480.00	.....		125	6%	.....
10	\$824.50	.....		720	5%	.....

Number	Principal	Years	Months	Days	Rate	Interest
11	\$630.00	.....	.....	141	4%	.....
12	\$275.75	.....	.....	6000	6%	.....
13	\$435.00	.....	2	12	10%	.....
14	\$375.00	.....	4	24	5%	.....
15	\$480.00	.....	2	20	7½%	.....
16	\$273.50	.....	9	18	5%	.....
17	\$275.00	.....	4	15	8%	.....
18	\$385.00	.....	7	6	5%	.....
19	\$425.00	.....	10	20	9%	.....
20	\$287.50	1	4	.....	6%	.....
21	\$367.50	1	3	.....	8%	.....
22	\$800.00	1	4	15	4%	.....
23	\$500.00	2	2	12	5%	.....
24	In what time will \$337.50 double itself at 10%?					.....
25	In what time will \$535.75 double itself at 8%?					.....

Can you do these in your head? A salesman in a retail store is constantly called upon to figure problems in arithmetic. He cannot always stop to write them down on paper, but must often work them out mentally. Usually the problems will be fairly simple, but even simple ones require mental alertness and accuracy. Have someone read these problems to you.

STANDARD TESTS

Problems in mental arithmetic

1. How many lemons at 5 cents each can I get in exchange for 18 eggs at 18 cents a dozen?
2. John is 4 feet in height; James is 6 inches taller than Henry; and Henry is 6 inches taller than John. How much taller is James than John?
3. If three-fourths of a yard of cloth costs three-fourths of a dollar, how much will $3\frac{3}{4}$ yards cost?
4. Mary is 6 years younger than Jane, and Jane is 5 years older than Ann. If Ann is 10, how much older is Ann than Mary?
5. If a herring and a half costs a cent and a half, what will a dozen and 6 herring cost?
6. Ted can beat Fred by 3 yards in a race of 100 yards. Ned can beat Fred by 5 yards in a race of the same distance. How many yards can Ned beat Ted in running 100 yards?
7. If you cut 30 yards of cloth into one-yard pieces, and cut one yard every day, how long will it take?
8. Mr. Brown sold a horse for \$90 and bought it back again the next day for \$80. On the following day he resold the horse for \$100. How much profit did Mr. Brown make?

9. I sold three-fourths yard of cloth for 75 cents. If I sold three-fourths of a yard for what one yard cost me, how much will I gain per yard?

10. A stranger bought a hat for \$3 and paid for it with a \$20 bill. The merchant not having change obtained it at the nearest bank and gave the stranger \$17 and the hat. The bank soon discovered that the bill was counterfeit and required the merchant to replace it with \$20 of good money. How much did the merchant lose?

11. If it takes one minute for a man to saw a board into two pieces, how long will it take the same man, sawing at the same rate, to saw a similar board into 24 pieces?

12. If telephone poles are set 4 rods apart, how many poles will it take to string a line one mile long? There are 320 rods in a mile.

13. A girl began working her problems at 11:45 a. m., and finished them at 1:15 p. m. How long did it take to work the problems?

14. A boy is standing on the shore of a circular pond. The distance around it is $6\frac{1}{4}$ miles and the greatest distance across it is 2 miles. What is the least distance the boy can walk to reach a point directly opposite the spot where he is standing?

15. A boy was asked how many fish he had caught. He answered: "If I catch this one, which is biting, and half a dozen and a dozen more, I will then have 19." How many did he have?

16. Ted and Fred had an equal number of marbles. Ted lost several of his. If he tells you how many he lost and how many they both together then had, how can you find how many each had at first?

17. Mr. Brown hired an automobile for \$8 to make a trip from A to B to C and return. The distance from A to B is 12 miles, and from B to C 12 miles, making a total of 48 miles to travel. At B Mr. Smith got permission to ride with Mr. Brown from B to C and return on condition that he should pay his share of the automobile charges. How much should each man have paid?

18. John bought 60 oranges at 2 for a cent and 60 more at 3 for a cent. He sold all at 5 for 2 cents. How much did he gain or lose?

19. What is the highest point a boy can reach while standing on a box 2 feet x 3 feet x 4 feet? The boy is 4 feet in height and can reach one foot above his head, but he must not stand on tip-toe or prop up the box or use any other means of elevating himself or the box.

20. I have a certain number of apples and my brother has a smaller number. How shall I find how many I must give him so that each may have the same number?

When time is money. Tests have recently been made in office work showing that with increased speed comes greater accuracy. It is true that accuracy should come before speed, but the slow workers are not always the most accurate, while the best workers are always speedy. Do not form the habit of working slowly, lest you think you can't do any better.

A SCORE CARD

For recording the improvement in your work

How to use this card

In column 1 write the date you make your test. In column 2 put down the time you start the test and in column 3 the time you finish. The number of minutes (in column 4) is the difference between columns 1 and 2. Put the number of errors in column 5 and in column 6 the number of points you make. As your work improves, the number of errors will, of course, decrease, and the number of points will increase.

Name <u>Robert Brown</u>						
Began record <u>Sept. 3</u> Finished record <u>Nov. 25</u>						
1 Date of test	2 Time started	3 Time finished	4 Number of minutes	5 Number of errors	6 Number of points	7 Checked by
Sept. 3	10:30	10:40	10	12	17	F.C.
" 10	10:30	10:40	10	11	20	F.C.
" 17	9:20	9:30	10	9	26	F.C.
" 24	9:20	9:30	10	7	29	F.C.
Oct. 1	9:20	9:30	10	8	37	F.C.
" 8	1:30	1:40	10	7	40	F.C.
" 15	1:30	1:40	10	7	46	F.C.
" 22	1:30	1:40	10	8	44	F.C.
" 29	3:10	3:20	10	7	54	F.C.
Nov. 5	3:10	3:20	10	6	61	F.C.
" 12	3:10	3:20	10	6	77	F.C.
" 18	9:00	9:10	10	5	83	F.C.
" 25	9:00	9:10	10	2	100	F.C.

FIGURE 86: When you record your progress on a score card like this, you can see just how fast you are improving from time to time. The illustration at the bottom of this page shows how to make a chart of your improvement.

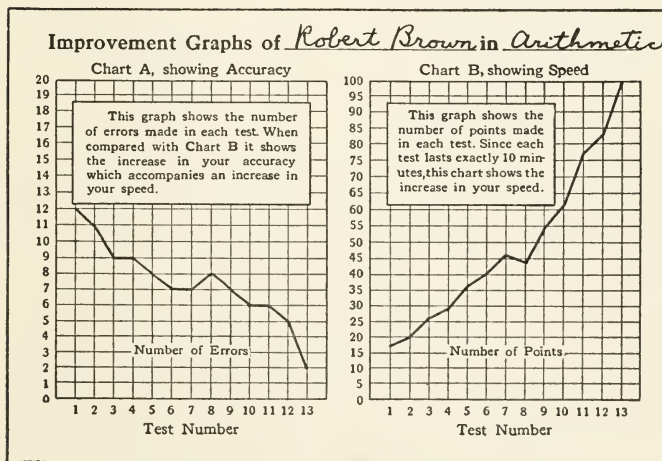


FIGURE 87: This is a "picture" of the progress shown by the score card. Robert Brown made 12 errors on test Number 1 and only two on test Number 13. He secured 17 points on test Number 1 and 100 points on test Number 13.

While you are practicing to improve your speed and accuracy in making figures, writing, typing, computing, or any other office work, keep an exact record of what you can do and check yourself up from time to time by keeping a record or a graph of your work to show the improvement you are making. On page 253 are shown two ways you can keep tab on your work.

A good illustration of the value bankers place on speed and accuracy is shown in the clearing-house rules of a large city. The following rules are copied from the Chicago Clearing House scale of fines:

All errors in settling clerks' statements not reported to the manager within 20 minutes from the time of beginning, whether of footing or entry—\$2.

All other errors, each—\$2.

For all errors remaining undiscovered at the expiration of one hour from commencing, the fines will be doubled—(\$4), and at the expiration of one and one-half hours the fines will be quadrupled—\$8.

Any member failing to be properly represented punctually at the morning exchanges:

For the first 5 minutes or part thereof, \$3.

From 5 to 10 minutes late, \$10.

Over 10 minutes late, \$25.

Debtor members failing to pay their balances by the hour fixed for that purpose:

For the first 5 minutes or part thereof, \$3.

From 5 to 15 minutes late, \$10.

Over 15 minutes late, \$25.

Two tests of your ability. The next two tests are intended to test your thoughtfulness, your mental alertness, and your ability to concentrate your attention. The first test is given by one department store to all applicants for positions.

STANDARD TESTS

A test for department-store employees

Time—10 minutes

Read these directions through carefully. Then do what the directions tell you to do.

A girl went to a store to buy herself a dress. She must have as much as 9 yards, 27 inches wide, or 7 yards, 36 inches wide; or $4\frac{1}{2}$ yards, 54 inches wide. She must not spend less than \$8 or more than \$12. It would be all right for her to buy a piece larger than needed if it did not cost more than \$12. She could wear any color except purple or yellow.

Each piece is a remnant, and she must buy the entire piece. Mark the ones she could buy "yes," mark the ones she should not buy "no."

Yes or No	Yards long	Inches wide	Price a yard	Color	Cost
1.	6	36	\$1.50	Brown	
2.	8	36	1.25	Gray	
3.	6 $\frac{1}{4}$	54	1.60	Blue	
4.	6	54	2.25	Brown	
5.	9 $\frac{3}{4}$	27	1.00	Black	
6.	4 $\frac{1}{2}$	54	2.00	Yellow	
7.	4	54	2.75	Green	
8.	4 $\frac{1}{2}$	45	2.50	Green	
9.	6	36	1.50	Gray	
10.	9 $\frac{1}{11}$	27	1.10	Blue	
11.	7	45	1.95	Black	
12.	11 $\frac{1}{9}$	27	.90	Pink	
13.	7 $\frac{1}{2}$	36	1.80	Gray	
14.	14 $\frac{2}{7}$	27	.70	Purple	
15.	4 $\frac{3}{4}$	54	1.60	Blue	
16.	6	30	1.75	Red	
17.	4 $\frac{1}{2}$	54	2.20	Pink	
18.	7 $\frac{1}{2}$	36	1.40	White	
19.	5 $\frac{1}{2}$	54	1.80	Green	
20.	4 $\frac{1}{2}$	45	2.40	Black	
21.	7 $\frac{1}{2}$	36	1.60	Pink	
22.	9 $\frac{1}{2}$	27	1.40	Red	
23.	6 $\frac{3}{4}$	36	2.00	Gray	
24.	8 $\frac{1}{8}$	36	1.20	Purple	
25.	12 $\frac{1}{2}$	27	.80	White	

Find the total cost of the 25 pieces of cloth.

STANDARD TESTS

A test for mental alertness

Read these directions carefully and do as you are told to do.

1. Underline all the names of articles in the first column that were shipped by freight and contain exactly five letters.

2. Place a cross (X) before each name of an article in the first column which was shipped by freight and sold for \$10 or over.

3. Place a cross (X) after each name of an article in the first column that was manufactured or made by man and was sold for less than \$10.

4. In the second column place a cross (X) after the name of each purchaser who bought articles in the year 1918 for less than \$10 in value.

5. New York is the largest city in the United States and Chicago is the second city in size. Place a dot (.) under each letter in the name of the largest city found in the third column.

6. Cities are often named in honor of some noted person. Underline each city in the third column so named.

7. In the third column draw a line through all the a's found in the names of cities located in Illinois, Indiana, and Ohio.

8. In the fourth column draw a circle around the i's found in the name of each state to which goods were shipped by parcel post.

9. The only state in the United States which is larger than France is Texas. In the fourth column place a dot (.) under every letter of the name of the largest state in the United States.

10. If the articles in the first column were shipped by express in the year 1918, draw a ring around all the s's found in such dates in the seventh column.

Directions for marking:

There are exactly 100 things to be done in this test, in which each correct answer counts one point, making a possible 100 points. Divide the number of points made by the number of minutes required in order to find the average score per minute. If a mistake is made in answering any question, one point should be deducted from the correct score for each mistake. The standard score is 10 points a minute or 100 divided by 10, if there were no mistakes and the time required was only 10 minutes.

A large mail-order house sold and shipped the following material to the given addresses: (5-14-18 means May 14, 1918)

Column 1 Articles Purchased	Column 2 Name of Purchasers	Column 3 Cities	Column 4 States	Column 5 How Shipped	Column 6 Amount of Purchases	Column 7 Dates Shipped
Book	White	Red Oak	Iowa	Express	\$ 1.19	5/14/18
Desks	Blue	Ada	Ohio	Freight	22.25	6/ 9/17
Table	Brown	Waco	Texas	Freight	45.00	1/ 2/18
Chair	Gray	Gary	Indiana	Express	4.98	8/12/18
Dress	Green	Oak Park	Illinois	Parcel post	66.75	9/ 1/18
Robe	Lon	Portland	Maine	Parcel post	1.33	8/16/18
Handker- chief	Bear	Dover	Delaware	Parcel post	1.25	2/25/16
Bacon	Fox	Fremont	Nebraska	Freight	10.00	5/ 7/17
Lamp	Wolf	Topeka	Kansas	Express	6.89	5/ 8/18
Candy	Lamb	Washing- ton	Iowa	Parcel post	1.30	2/ 7/17
Flour	Berry	Seattle	Wash'gton	Freight	18.98	11/12/16
Sugar	Jolly	Lincoln	Nebraska	Express	2.26	12/20/17
Cupboard	Apple	Salem	Oregon	Express	2.13	6/25/18
Paint	Bright	Columbus	Ohio	Freight	21.40	8/ 5/16
Grass seed	Poor	Boone	Iowa	Express	18.49	10/ 2/17
Shovel	Good	Lafayette	Indiana	Express	2.14	8/11/18
Hatchet	Day	La Salle	Illinois	Parcel post	1.85	5/26/17
Flannel	Rich	Madison	Wisconsin	Express	22.00	3/23/16
Organ	Hare	Houston	Texas	Freight	145.00	1/27/18
Doors	Moose	Newton	Kansas	Freight	10.25	4/ 6/18
Wagon	Deer	Omaha	Nebraska	Freight	175.00	11/14/17
Lantern	Purple	Cleveland	Ohio	Express	2.85	7 /22/18
Napkins	Ball	South Bend	Indiana	Parcel post	2.98	7/27/16
Kettle	Rock	Green Bay	Wisconsin	Express	3.76	5/ 8/18
Piano	Red	Chicago	Illinois	Freight	500.00	6/13/17

Keep your wits about you. Unless you are particularly careful in answering the questions in the following test, you may find that you have made some ridiculous answers. Train yourself to grasp what the question really asks, not what you think it asks or what it seems to ask, but what it actually does ask.

For example, take the second question: "How many legs has a calf if the tail is called a leg?" Regardless of what you call the different parts of a calf—even if you called everything "legs"—the calf would still have only four legs. Just because the tail is called a leg does not make it one.

Now let's see how good you are at analyzing.

STANDARD TEST

A test for mental alertness in analyzing

1. If July fourth comes on Friday, on what day of the month does the first of July come?
2. How many legs has a calf if the tail is called a leg?
3. Why did Moses take the animals two by two into the ark?
4. Who was the father of Zebedee's children?
5. If the ice wagon weighs 2,000 pounds, the ice 1,000 pounds, and the horses 2,500 pounds, what does the ice man weigh?
6. A freight train leaves New York for Chicago at the same time a passenger train leaves Chicago for New York. If the passenger train travels twice as fast and they each travel the same number of hours, which train will be the nearer Chicago when they meet?
7. Who wrote Franklin's autobiography?
8. Who invented the Bell Telephone?
9. What was our President's name eight years ago?
10. Is it true that the laws of Illinois do not permit a man to marry his widow's sister?
11. If Sunday were called Monday, would Thursday be Friday?
12. How is it possible in a family for one of the children to have three sisters while another child of the same family has only two sisters?
13. Write in figures: eleven thousand, eleven hundred eleven.
14. Would you say 17 and 16 are 32 or is 32?
15. Mr. Smith gave twenty five-dollar bills for a horse and sold it for fifty-two dollar bills. Did he gain or lose and how much?
16. Two men had a wager as to which could eat the more oysters; one ate ninety and eight and the other a hundred and won. How many did they both together eat?
17. A milkman being asked how many cows he had milked that forenoon replied: "Each cow that I milked has four feet and all of my cows together have sixty fore-feet." How many cows had he milked?

18. If I pay a cent and a quarter for a melon and sell it for 30 cents, how much do I gain?

19. How many cubic feet of dirt can be dug from a hole six feet long, four feet wide, and two feet six inches deep?

20. Two ducks before a duck, two ducks behind a duck, and a duck in the middle. What is the least number of ducks possible if the ducks were standing in a row?

21. Two boys, two miles apart, are standing in a road running east and west. One is facing toward the east and the other is facing toward the west. If the earth is 25,000 miles in circumference, what is the shortest distance each boy may travel to meet the other? They travel at the same rate, in a straight line, do not turn around, and do not walk backward.

22. Mr. Smith sold a horse for \$60 and a cow for \$20 less than the horse. If he gained \$10 on the cow, how much did he gain on the horse?

23. Blue ribbon sells for five cents a yard more than white ribbon. The white sells for five cents a yard less than the black. How much more does the blue ribbon sell for than the black?

24. George goes to bed 20 minutes earlier than his brother James, and gets up in the morning 30 minutes earlier than James. How much longer is James in bed than George?

25. Mary is four years younger than Jane. Kate is five years older than Mary. If Jane is ten years of age, how much younger is Kate than Jane?

What do you know? In the following test you will have an opportunity to test your knowledge of office training and standards as well as do some original thinking. There are 75 questions asked. Multiply by 4 the number of questions answered correctly and divide the product by 3. The quotient will represent your percentage of accuracy.

STANDARD QUESTIONS

Standards of knowledge

1. What is the primary purpose of office records?
2. Of what does the work of a purchasing department consist?
3. How should quotations be filed?
4. How should catalogs and price lists be filed?
5. How should catalogs and price lists be indexed?
6. What are the chief benefits of stock records?
7. What precautions should be taken in regard to stock inventories?
8. How are results from advertising in different mediums recorded?
9. What are some of the filing problems in the advertising department?
10. What information should be given on a salesman's report?
11. How are prospect cards made out and handled in the office?
12. How are customers' cards made out and handled in the office?
13. Name some important points to watch in handling follow ups.

14. How are records used to increase sales efficiency?
15. What is meant by house-order forms?
16. What are the chief reasons for using multiple house-order forms?
17. How is the routing of orders handled?
18. What are some of the points to be gained by checking and inspecting orders?
19. What are some of the sources of credit information?
20. What use is made of the customer's credit card?
21. Why should the credit man be in touch with collections?
22. How is the follow-up system used on collection cards?
23. What are the advantages gained through cost accounting?
24. What factors enter into cost accounting?
25. Whose duty is it to keep the cost records?
26. How may records and graphs be used to stimulate efficiency among employees?
27. How do comparative records of employees stimulate an interest in work?
28. Do comparative records form a correct basis for promotion? How?
29. How may a record of mistakes form a basis for the assignment of an employee to the work for which he is best fitted?
30. How does the record of an applicant's examination constitute a basis for permanent employment?
31. How is the keeping of records of employees of value to the employers?
32. Of what value are such records to the employees?
33. What receipts are required in the shipping department?
34. How does the traffic department keep track of claims against transportation companies?
35. Compare mail, express, and freight transportation.
36. Compare the cost and convenience of the parcel post and express systems for delivering packages.
37. Can large shipments be sent c.o.d. by freight? If so, how? If not, why not?
38. Can packages be shipped c.o.d. by mail?
39. Can packages be shipped c.o.d. by express?
40. Can money be borrowed on goods in transit or in the warehouse?
41. Is there any advantage in shipping large packages by express? If so, what?
42. Is it ever possible to ship 100 pounds cheaper by express than by freight? If so, when?
43. What size and weight can be shipped by parcel post?
44. What is the benefit of the parcel post to the producer?
45. What is the benefit of the parcel post to the consumer?
46. What is meant by registering mail?
47. What is the postal money order system?
48. What is meant by special delivery?
49. What is meant by telegraph money transfer?

50. What is a night letter?
51. What is a day letter?
52. What is the largest postal money order that may be issued?
53. What is the largest express money order that may be issued?
54. What is the largest United States postage stamp issued? Have you ever seen one?
55. Describe several methods of sending money from New York to San Francisco.
56. How can you send money from New York to London?
57. What are the two most important points to keep in mind when writing a telegram? A cablegram?
58. What is the difference between a regular telegram and night letter?
59. Why is more care required in writing a cablegram than a lettergram?
60. Why are code systems often used in sending telegrams and cablegrams?
61. Why do business firms have a cable address?
62. What is the world's greatest commercial country? Why?
63. What is the world's greatest commercial city? Why?
64. What is America's greatest commercial center? Why?
65. What is the world's greatest railroad center? Why?
66. Is Europe better situated for commerce than Africa? If so, why?
67. Is the location of Holland better than Belgium for commerce? If so, why?
68. Is North America better situated for commerce than South America? If so, why?
69. Is South America better situated for commerce than Australia? Why, or why not?
70. Is Montreal better situated than Quebec for commerce?
71. Is Chicago better situated for commerce than Buffalo? Why or why not?
72. Is New York better situated for commerce than New Orleans? Why, or why not?
73. Why are there more Atlantic ports along the northern coast of the United States than along the southern coast?
74. Why are there more Atlantic ports in the United States than there are Pacific?
75. Would you expect New York or San Francisco to do more trading with Japan? Why?

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The list of books mentioned here is not intended to be a comprehensive bibliography on business practice; to attempt such a task would defeat the whole purpose of the list given, which is simply to furnish additional reference material for the student of office practice and for the junior employee who is ambitious to get ahead. There are bibliographies and catalogs available which cover the whole field of business, and several of these are mentioned at the end of this compilation.

Every worth-while book on office organization and management has been included. The test which has been applied to each book is its adaptability to the purpose of the list. This has undoubtedly caused to be omitted certain books, which, though splendid and of admitted excellence in their respective fields, yet find no place in a list of this nature. If, however, through oversight, a book has been omitted here and there which should be included, the author would appreciate being so advised. Any means by which we can all cooperate for the benefit of those who are to carry on the world's business, is certainly well worth while.

Especially valuable are the references to *SYSTEM*, the Magazine of Business, which have been carefully selected from the wealth of material available. Here are given the actual experiences of hundreds of business men, large and small, and the lessons learned therefrom are pointed out unmistakably. Experience has shown that these excerpts from actual business are exceedingly helpful and enlightening to the student of business practice.

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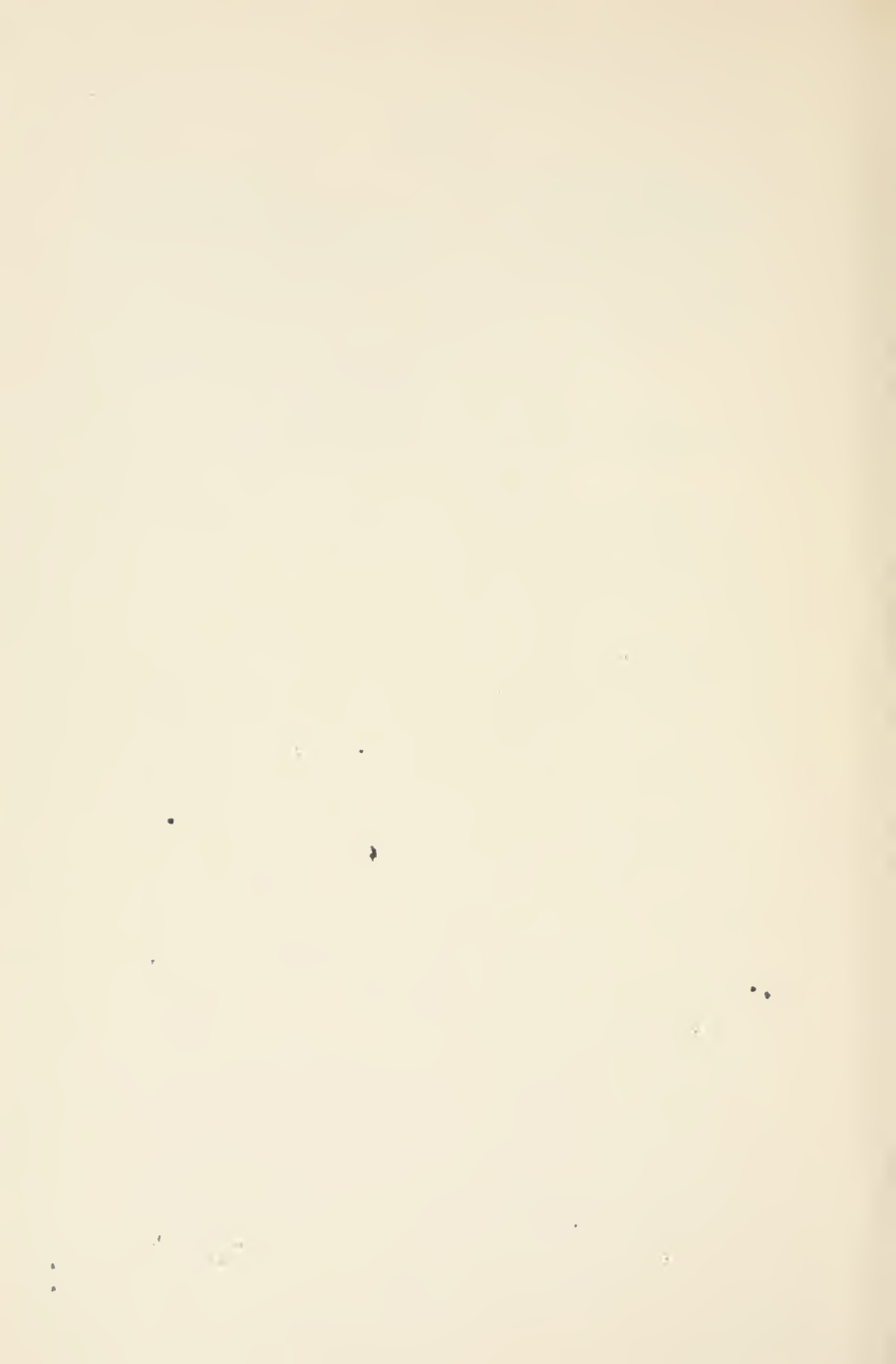
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